

LG Display Co., Ltd.  
Form 6-K  
August 14, 2008  
Table of Contents

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 6-K

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

For the month of Aug 2008

## LG Display Co., Ltd.

(Translation of Registrant's name into English)

20 Yoido-dong, Youngdungpo-gu, Seoul 150-721, The Republic of Korea

(Address of principal executive offices)

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

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

Form 20-F  Form 40-F

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

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

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

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

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

Yes  No

**Table of Contents**

SEMIANNUAL REPORT

(From January 1, 2008 to June 30, 2008)

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

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

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, 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.

**Contents**

1. Overview
  - A. Industry
  - B. Company
  - C. Recent developments
  
2. Information Regarding Shares
  - A. Change in capital stock
  - B. Convertible bonds
  - C. Shareholder list
  - D. Voting rights
  - E. Dividends
  
3. Major Products and Materials
  - A. Major products in H1 2008
  - B. Average selling price trend of major products
  - C. Major materials
  - D. Price trend of major materials
  
4. Production & Equipment
  - A. Production capacity and calculation
  - B. Production performance and working ratio
  - C. Investment plan
  
5. Sales
  - A. Sales performance
  - B. Sales route and sales method

6. Directors & Employees
  - A. Members of the Board of Directors
  - B. Committees of the Board of Directors
  - C. Director & Officer Liability Insurance
  - D. Employees
  - E. Stock option

7. Financial Information
  - A. Financial highlights
  - B. R&D expense
  - C. Domestic credit rating
  - D. Remuneration for directors in H1 2008
  - E. Derivative contracts
  - F. Status of equity investment

Attachment: 1. Korean GAAP Non-consolidated Financial Statements

2. Korean GAAP Consolidated Financial Statements

3. U.S. GAAP Consolidated Financial Statements

## **Table of Contents**

### **1. Overview**

#### **A. Industry**

##### **(1) Industry characteristics and growth potential**

TFT-LCD technology is one of the most 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 strong competition between a relatively small number of players within the industry and production capacity in the industry, including ours, is being continually increased.

The demand for LCD panels for notebook computers & monitors has been closely related to the IT industry cycle. The demand for LCD panels for TVs is growing with the start of HDTV broadcasting and as LCD TV has come to play an important role in the digital display market. There is competition between TFT-LCD and PDP technologies in the area of large flat TV products. In addition, markets for small- to medium-sized LCD panels, such as mobile phones, P-A/V, medical applications and automobile navigation systems, among others, are growing steadily.

The average selling prices of LCD panels have declined in general and are expected to continually decline with time irrespective of general business cycles as a result of, among other factors, technology advances and cost reductions.

##### **(2) Cyclicity**

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

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

During such surges in capacity growth, our customers can exert and have exerted strong downward pricing pressure, resulting in sharp declines in average selling prices and significant fluctuations in our gross margins. Conversely, demand surges and fluctuations in the supply chain can lead to price increases.

##### **(3) Competitiveness**

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 of our end-brand customers in marketing their brands and products, component and raw material supply costs, foreign exchange rate and general economic and industry conditions.

**Table of Contents**

Core competitiveness includes technology leadership, capability to design new products and premium products, timely investment in advanced fabs, cost leadership through application of large production lines, innovation of process and productivity, and collaborative customer relationships.

Most importantly, cost leadership and stable and long-term relationships with customers are critical to secure profit even in a buyer's market.

A substantial portion of our sales is attributable to a limited group 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 thus result in reduced sales.

Developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. 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 the experienced key staffs and highly skilled line operators.

(4) Sourcing material

Key materials (including color filters) are sourced in-house as well as from domestic and overseas vendors.

The shortage of raw materials may arise temporarily due to the rapid increase in demand for raw materials resulting from capacity expansion in the TFT-LCD industry.

We have purchased, and expect to purchase, a substantial portion of our equipment from a limited number of qualified foreign and local suppliers. From time to time, increased demand for new equipment may cause lead times to extend beyond those normally required by the equipment vendors.

(5) Others

Most TFT-LCD panel makers are located in Asia.

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

B. Company

(1) Business overview

Commercial production for our TFT-LCD business began in September 1995 at P1, which was then the first fabrication facility of LG Electronics. At the end of 1998, LG Electronics and LG Semicon transferred their respective TFT-LCD related businesses to LG Soft Co., Ltd (currently LG Display). It became a joint venture between LG Electronics and Philips Electronics in August 1999. In July 2004, we completed our initial public offering and listed our common stock on the Korea Exchange and our ADSs on the New York Stock Exchange. As of June 30, 2008, we operate seven fabrication facilities located in Gumi and Paju, Korea, and seven module facilities located in Gumi and Paju, Korea; Nanjing (3 factories) and Guangzhou, China; and Wroclaw, Poland.

**Table of Contents**

We became the first LCD maker in the world to commence commercial production at a 4th generation fab (P3) in July 2000 and at a 5th generation fab (P4) in March 2002, and we started mass production at our 6th generation fab (P6) in August 2004, which allows us to produce LCD panels for large TVs and monitors. With the commencement of mass production at our 7th generation fab (P7) in January 2006 and with our decision to invest in an 8th generation fab (P8) in October 2007, we are expanding our production capacity in line with the growing large-sized LCD TV market. In addition, in July 2007, we decided to make additional investments in our 6th generation fab (P6) to prepare for the growth of the TFT-LCD market.

Our non-consolidated sales increased by 40.5% from KRW 5,874 billion in the first half of 2007 to KRW 8,251 billion in the first half of 2008. We recorded non-consolidated operating income of KRW 1,779 billion in the first half of 2008 compared to non-consolidated operating loss of KRW 99 billion in the first half of 2007 and we recorded non-consolidated net income of KRW 1,492 billion in the first half of 2008 compared to non-consolidated net income of KRW 60 billion in the first half of 2007. (Our consolidated sales under Korean GAAP increased by approximately 35.7% from KRW 6,077 billion in the first half of 2007 to KRW 8,247 billion in the first half of 2008. We recorded consolidated operating income under Korean GAAP of KRW 1,770 billion in the first half of 2008 compared to consolidated operating loss of KRW 58 billion in the first half of 2007. In addition, we recorded consolidated net income of KRW 1,476 billion in the first half of 2008 compared to consolidated net income of KRW 60 billion in the first half of 2007.)

We reinforced our position as a leader in LCD technology by developing public displays such as the world's largest 52-inch multi-touch screen panel and a 47-inch triple-view panel as well as the world's largest 6-inch oval LCD panel, a 17.1-inch switchable 3D display which function allows for a 2D/3D conversion with ease, a 15-inch TFT LCD panel with a C/F board that applies the role printing method and a 15-inch AM OLED that uses the a-Si method.

Moreover, we formed strategic alliances or entered into long-term sales contracts with major global firms such as Dell, Hewlett Packard and Kodak of the United States and Japan's Toshiba, among others, to secure customers and expand partnerships for technology development.

## (2) Market shares

Our worldwide market share for large-size TFT-LCD panels (10-inch or large) based on revenue

|                              | 2008 H1 | 2007  | 2006  |
|------------------------------|---------|-------|-------|
| Panel for Notebook Computers | 30.1%   | 28.5% | 26.2% |
| Panel for Monitors           | 15.9%   | 15.6% | 15.6% |
| Panel for TVs                | 18.0%   | 22.0% | 23.6% |
| Total                        | 19.4%   | 20.4% | 20.5% |

\* Source: DisplaySearch Q3 2008



**Table of Contents**

(3) Market characteristics

Due to the recent high growth in the display appliance market for the flat display format, the scale of the LCD market is growing at a rapid rate, resulting in expansion of the market centered mainly in America, Japan, Europe and China.

(4) New business

As of the end of the first half of 2008, P7 in our Paju Display Cluster reached an expanded production capacity of over 150 thousand sheets of glass substrates per month and we have commenced the construction of P8 (8th generation fab) in anticipation of growth in the large-sized TFT-LCD market.

In May 2006, we entered into an investment agreement with the Guangzhou Development District Administrative Committee to construct a module production plant in Guangzhou, China, and in June 2006, we established LG Display Guangzhou Co., Ltd. (f/k/a LG.Philips LCD Guangzhou Co., Ltd.). We commenced mass production at the new module production plant in December 2007 and we held an opening ceremony for the module production plant in April 2008.

In June 2008, we launched the OLED Business Unit in anticipation of future growth in the OLED business. In addition, we also plan to strengthen our market position in the future display technologies by accelerating the development of flexible display technologies and leading the LED back-light LCD market.

In order to facilitate a cooperative purchasing relationship with HannStar Display Corporation (HannStar), a company that manufactures TFT-LCD panels in Taiwan, we decided to purchase 180 million shares of preferred stock of HannStar at a purchase price of NT\$3,170,250,000. We acquired the preferred shares in February 2008. The preferred shares mature in three years and are convertible into shares of common stock of HannStar.

We are making an effort to increase our competitiveness by forming cooperative relationships with our suppliers and purchasers of our products. As part of this effort, in June 2008 we purchased 2,037,204 shares of AVACO, which produces sputters, a core equipment for LCD production, and we purchased 1,008,875 shares of TLI Co., Ltd., which produces core LCD panel components such as Timing Controllers and Drive ICs. By promoting strategic relationships with equipments and parts suppliers which enables us to obtain a stable source of supply of equipments and parts at competitive prices, we have strengthened our competitive position in the LCD business.

**Table of Contents**

In July 2008, we and Skyworth RGB Electronics founded a R&D joint venture corporation with a registered capital of CNY 50 million in China.

(5) Organization chart as of June 30, 2008

- CEO: Chief Executive Officer

- CFO: Chief Financial Officer

- CPO: Chief Production Officer

- CTO: Chief Technology Officer

C. Recent developments

(1) January 2008: Acquired OLED business from LG Electronics

(2) March 2008: Changed the name of the Company from LG.Philips LCD Co., Ltd. to LG Display Co., Ltd.

(3) Major contracts

February 2008: Extended trademark license agreement with Philips Electronics  
(January 1, 2008 ~ June 30, 2008)

February 2008: Extended trademark license agreement with LG Corp.  
(January 1, 2008 ~ December 31, 2010)

April 2008: Entered into an agreement with Skyworth RGB Electronics to establish a research and development joint venture company

June 2008: Skyworth TV Holdings Limited purchased a 16% interest in LG Display Guangzhou Co., Ltd

**2. Information Regarding Shares**

A. Change in Capital Stock

| (Unit: KRW, Share) |                     |                                      |                          |
|--------------------|---------------------|--------------------------------------|--------------------------|
| Date               | Descriptions        | Change in number of<br>common shares | Face amount<br>per share |
| July 27, 2005      | Follow-on offering* | 32,500,000                           | 5,000                    |

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

**Table of Contents**

## B. Convertible Bonds

| <b>Item</b>                                 | <b>Content</b>   |
|---|--|
| Issuing date                                | April 18, 2007   |
| Maturity                                    | April 18, 2012   |
| (Redemption date after put option exercise) | (April 18, 2010)   |
| Face Amount                                 | USD550,000,000   |
| 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                            | KRW 48,760 per share*  |
| Conversion status                           | None   |
| Number of shares already converted          | 10,530,762 shares if all are converted*  |
| Number of convertible shares                |  |
| Remarks                                     | Registered form  |
|   | Listed on Singapore Exchange   |

\* Conversion price was adjusted from KRW 49,070 to KRW 48,760 and the number of convertible shares was adjusted from 10,464,234 to 10,530,762 following the approval by the stockholders, during the annual general meeting of stockholders on February 29, 2008, of a cash dividend of KRW 750 per share.

## C. Shareholder List

(1) Total shares issued and outstanding: 357,815,700 shares as of June 30, 2008

(2) Largest shareholder and related parties as of June 30, 2008

| <b>Name</b>    | <b>Relationship</b> | <b>January 1, 2008</b> | <b>Increase/Decrease</b> | <b>(Unit: share)<br/>June 30,<br/>2008</b> |
|----------------|---------------------|------------------------|--------------------------|--|
| LG Electronics | Largest Shareholder | 135,625,000            |                          | 135,625,000                                |
|                |                     | (37.9%)                |                          | (37.9%)                                    |
| Young Soo Kwon | Related Party       | 15,000                 | 8,000                    | 23,000                                     |
|                |                     | (0.0%)                 |                          | (0.0%)                                     |
| <b>Total</b>   |                     | <b>135,640,000</b>     | <b>8,000</b>             | <b>135,648,000</b>                         |
|                |                     | (37.9%)                |                          | (37.9%)                                    |

**Table of Contents**

(3) Shareholders who owned 5% or more of our shares as of December 31, 2007

| Name                | Type of stock | (Unit: share)    |        |
|---------------------|---------------|------------------|--------|
|                     |               | Number of shares | Ratio  |
| LG Electronics      | Common Stock  | 135,625,000      | 37.9%  |
| Philips Electronics | Common Stock  | 71,225,000       | 19.9%* |
| Total               |               | 206,850,000      | 57.8%  |

\* On March 17, 2008, Philips Electronics sold an additional 6.7% of our common stock (24 million shares of common stock).  
D. Voting rights as of June 30, 2008

| 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

On February 29, 2008, we declared a cash dividend of KRW 750 per share to our shareholders of record as of December 31, 2007 and distributed the cash dividend to such shareholders in March 2008.

Dividends during the recent 3 fiscal years

| Description                                  | 2008 H1   | 2007      | 2006      |
|--|-----------|-----------|-----------|
| Par value (Won)                              | 5,000     | 5,000     | 5,000     |
| Net income (loss) (Million Won)              | 1,492,108 | 1,344,027 | (769,313) |
| Earnings (Loss) per share (Won)              | 4,170     | 3,756     | (2,150)   |
| Retained earning for dividends (Million Won) | 5,251,973 | 4,028,227 | 2,711,036 |
| Total cash dividend amount (Million Won)     |           | 268,362   |           |
| Total stock dividend amount (Million Won)    |           |           |           |
| Cash dividend payout ratio (%)               |           |           |           |
| Cash dividend yield (%)                      |           | 1.6       |           |
| Stock dividend yield (%)                     |           |           |           |
| Cash dividend per share (Won)                |           | 750       |           |
| Stock dividend per share (Won)               |           |           |           |

\* Earnings per share are calculated based on par value of 5,000 Won per share.

**Table of Contents**

(As a result of a stock split, par value of our shares changed to Won 5,000 per share from Won 10,000 per share as of May 25, 2004.)

- \* Retained earning for dividends is the amount before dividends are paid.
- \* Earnings per share is calculated by net income divided by weighted average number of common stock.

**3. Major Products and Materials**

A. Major products in H1 2008

| Business area | Sales types<br>Product/<br>Service/<br>Other Sales | Items<br>(Market)<br>TFT-LCD<br><br>(Overseas)<br>TFT-LCD<br><br>(Korea*) | Specific use<br>Notebook Computer, Monitor,<br><br>TV, Applications Panels, etc.<br>Notebook Computer, Monitor,<br><br>TV, Applications Panels, etc. | (Unit: In billions of Won) |               |
|---------------|--|---|--|----------------------------|---------------|
|               |  |   |  | Major trademark            | Sales (%)     |
| TFT-LCD       |  |   |  | LG Display                 | 7,676 (93.0%) |
|               |  |   |  | LG Display                 | 575 (7.0%)    |
| Total         |  |   |  |                            | 8,251 (100%)  |

- \* Including local export.
  - \*\* Period: January 1, 2008 ~ June 30, 2008
  - \*\*\* Major products trademark has changed from LG. Philips LCD to LG Display
- B. Average selling price trend of major products

| Description   | (Unit: USD / m <sup>2</sup> ) |         |         |         |
|---------------|-------------------------------|---------|---------|---------|
|               | 2008 Q2                       | 2008 Q1 | 2007 Q4 | 2007 Q3 |
| TFT-LCD panel | 1,274                         | 1,339   | 1,375   | 1,364   |

- \* Semi-finished products in the cell process have been excluded.
  - \*\* Quarterly average selling price per square meter of net display area shipped
  - \*\*\* On a consolidated basis
- C. Major materials

| Business area | Purchase types | Items<br>Glass | Specific use            | Purchase amount (%) | (Unit: In billions of Won)                              |  |
|---------------|----------------|----------------|-------------------------|---------------------|---|--|
|               |                |                |                         |                     | Suppliers   |  |
|               |                |                |                         | 1,093 (26.5%)       | Samsung Corning Precision                               |  |
| TFT-LCD       | Materials      | Back-Light     | LCD panel manufacturing | 1,028 (25.0%)       | Glass Co., Ltd., NEG, etc.<br>Heesung Electronics Ltd., |  |
|               |                | Polarizer      |                         | 548 (13.3%)         | etc.  |  |
|               |                | Others         |                         | 1,453 (35.2%)       | LG Chem., etc.  |  |
|               |                | Total          |                         | 4,122 (100%)        |   |  |

\* Period : January 1, 2008 ~ Jun 30, 2008

**Table of Contents**

D. Price trend of major materials

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

**4. Production and Equipment**

A. Production capacity and calculation

(1) Production capacity

| Business area | Items   | Business place | (Unit : 1,000 Glass sheets) |        |       |
|---------------|---------|----------------|-----------------------------|--------|-------|
|               |         |                | 2008 H1                     | 2007   | 2006  |
| TFT-LCD       | TFT-LCD | Gumi, Paju     | 6,017                       | 11,544 | 9,942 |

\* Glass size per each factory not considered.

(2) Calculation of production capacity

a. Method

Assumptions for calculation

Based on input glass  
Calculation method of production capacity

2008 H1: Monthly maximum input capacity per each factory in the first half of 2008  
× number of months (6 months).

2007: Monthly maximum input capacity per each factory in year 2007  
× number of months (12 months).

2006: Monthly maximum input capacity per each factory for 4th quarter of 2006  
× number of months (12 months).

b. Average working hours

See 4.B(2) below.

B. Production performance and working ratio

(1) Production performance

|                      |              |                       | (Unit: 1,000 Glass sheets) |             |             |
|----------------------|--------------|-----------------------|----------------------------|-------------|-------------|
| <b>Business area</b> | <b>Items</b> | <b>Business place</b> | <b>2008 H1</b>             | <b>2007</b> | <b>2006</b> |
| TFT-LCD              | TFT-LCD      | Gumi, Paju            | 5,719                      | 10,182      | 9,052       |

\* Based on input glass



**Table of Contents**

## (2) Working Ratio \*

| Business place (area) | Available working hours<br>of 2008 H1 | Real working hours<br>of 2008 H1 | (Unit: Hours)            |  |
|-----------------------|---------------------------------------|----------------------------------|--------------------------|--|
|                       |                                       |                                  | Average<br>working ratio |  |
| Gumi                  | 4,368                                 | 4,368                            | 100%                     |  |
| (TFT-LCD)             | (24 hours X 182 days)                 | (24 hours X 182 days)            |                          |  |
| Paju                  | 4,368                                 | 4,368                            | 100%                     |  |
| (TFT-LCD)             | (24 hours X 182 days)                 | (24 hours X 182days)             |                          |  |

## C. Investment plan

## (1) Investment in progress

| (Unit: In billions of Won) |                          |                      |                                 |                               |                     |                     |                   |         |
|----------------------------|--------------------------|----------------------|---------------------------------|-------------------------------|---------------------|---------------------|-------------------|---------|
| Business area              | Description              | Investment<br>period | Investment<br>assets            | Investment<br>effect          | Total<br>investment | Already<br>invested | To be<br>invested | Remarks |
| TFT-LCD                    | New /<br>Expansion, etc. | Q4 05~               | Building/<br>Machinery,<br>etc. | New<br>production<br>facility | 4,400               | 1,163               | 3,237             |         |

## (2) Investment Plan (Consolidated basis)

| (Unit: In billions of Won) |                          |                            |         |         |                             |         |
|----------------------------|--------------------------|----------------------------|---------|---------|-----------------------------|---------|
| Business area              | Project                  | Expected yearly investment |         |         | Investment<br>effects       | Remarks |
|                            |                          | 2008<br>*                  | 2009 ** | 2010 ** |                             |         |
| TFT-LCD                    | New /<br>Expansion, etc. | 4,500                      |         |         | Capacity<br>Expansion, etc. |         |

\* Expected investments in 2008 are subject to change depending on market environment.

\*\* Expected investments in 2009 and in 2010 cannot be projected due to industry characteristics.

**5. Sales**

## A. Sales performance

| Business area | Sales types    | Items (Market) | (Unit: In billions of Won) |         |       |        |
|---------------|----------------|----------------|----------------------------|---------|-------|--------|
|               |                |                | 2008 H1                    | 2007 H1 | 2007  |        |
| TFT-LCD       | Products, etc. | TFT-LCD        | Overseas                   | 7,676   | 5,422 | 13,137 |
|               |                |                | Korea*                     | 575     | 452   | 1,026  |
|               |                |                | Total                      | 8,251   | 5,874 | 14,163 |

\* Including local export.

**Table of Contents**

B. Sales route and sales method

(1) Sales organization

As of June 30, 2008, each of the IT Business Unit, TV Business Unit, Mobile Business Unit, and OLED Business Unit had individual sales and customer support functions.

Sales subsidiaries in America, Germany, Japan, Taiwan and China (Shanghai and Shenzhen) perform sales activities in overseas countries and provide technical support to customers.

(2) Sales route

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

(3) Sales methods and conditions

LG Display HQ g System integrators, Branded customers g End users

(4) Sales strategy

Direct sales & sales through overseas subsidiaries, etc.

To secure stable sales to major PC makers and the 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 TV market including in the category of full-HD 120Hz TV monitors

To diversify our market in the small- to medium-sized monitor segment, including products such as mobile phone, P-A/V, automobile navigation systems, aircraft instrumentation and medical diagnostic equipment, etc.

**6. Directors & Employees**

A. Members of the Board of Directors

| <b>Name</b>           | <b>Date of birth</b> | <b>Position</b>  | <b>Business experience</b>                                    |
|-----------------------|----------------------|--|---|
| Young Soo Kwon        | February 6, 1957     | Representative Director,<br>President and Chief<br>Executive Officer | President and Chief<br>Financial Officer of LG<br>Electronics |
| James (Hoyoung) Jeong | November 2, 1961     | Director and Chief<br>Financial Officer                              | Executive Vice President<br>and Chief Financial               |

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

Simon (Shin Ik) Kang

May 10, 1954

Director

Officer of LG Electronics

Head of Digital Display  
Product Business Division  
of LG Electronics

**Table of Contents**

|                    |                  |                  |   |
|--------------------|------------------|------------------|---|
| Paul Verhagen      | February 2, 1962 | Director         | Chief Financial Officer of Consumer Lifestyle Section, Philips Electronics              |
| Ingoo Han          | October 15, 1956 | Outside Director | Dean, Graduate School of Management, Korea Advanced Institute of Science and Technology |
| Dongwoo Chun       | January 15, 1945 | Outside Director | Outside Director, Pixelplus   |
| Bruce. I. Berkoff  | August 13, 1960  | Outside Director | President of LCD TV Association   |
| Yoshihide Nakamura | October 22, 1942 | Outside Director | President of ULDAGE, Inc.   |
| William Y. Kim     | June 6, 1956     | Outside Director | Partner of Ropes & Gray LLP   |

## B. Committees of the Board of Directors

Committees of the Board of Directors as of June 30, 2008

| <b>Committee</b>   | <b>Member</b>   |
|--|---|
| Audit Committee  | Ingoo Han, Yoshihide Nakamura, William Y. Kim                       |
| Remuneration Committee   | Simon (Shin Ik) Kang, Paul Verhagen, Dongwoo Chun, Bruce I. Berkoff |
| Outside Director Nomination and Corporate Governance Committee | Simon (Shin Ik) Kang, Paul Verhagen, Dongwoo Chun, William Y. Kim   |

## C. Director &amp; Officer Liability Insurance

(1) Overview of Director &amp; Officer Liability Insurance (as of August 13, 2008)

| <b>Name of insurance</b>                 | <b>Premium paid in 2008</b> | <b>Limit of liability</b> | <b>Remarks</b> |
|--|-----------------------------|---------------------------|----------------|
| Directors & Officers Liability Insurance | 1,984,000                   | 100,000,000               | (Unit: USD)    |

\* In July 2008, we renewed our director &amp; officer liability insurance with coverage until July 2009.

(2) The approval procedure for the Director &amp; Officer Liability Insurance

The limit for liability, coverage and premiums were approved by our internal regulation

(3) The insured

1. LG Display and its subsidiaries and their respective Directors and Officers
2. Duly elected or appointed Directors or Officers, past and new Directors and Officers during the policy period

**Table of Contents**

3. The estates and heirs of deceased Directors or Officers, and the legal representatives of Directors or Officers in the event of their incompetence, insolvency or bankruptcy (only if the Directors or Officers were employed at the time the acts were committed)

(4) The Covered Risks

1. The liability of a director or an officer for the Loss to shareholders or 3rd parties, arising from any alleged Wrongful Act of a director or officer of the Company in their respective capacities, provided that the director or officer duly discharged his or her fiduciary duties

- a. Wrongful Act means any breach of duty, neglect, error, misstatement, misleading statement, omission, or act by the Directors or Officers

- b. Loss includes damages, judgments, settlements and Defense Costs

2. Coverage for security holder derivative action & security claims

The Loss arising out of any security holder derivative action is paid in accordance with the Security Holder Derivative Action Inclusion Clause . Securities Loss, incurred on account of a Securities Claim against the Directors, Officers and/or the Company, is covered (except for exclusions).

(5) Exclusions

1. General Exclusions (any loss related to following items):

Any illegal gaining of personal profit through, dishonest or criminal act;

Remuneration payment to the Insureds without the previous approval of the stockholders, which payment was illegal;

Profits in fact made from the purchase or sale of securities of the Company using non public information in an illegal manner;

Payment of commissions, gratuities, benefits or any other favor provided to a political group, government official, director, officer, employee or any person having an ownership interest in any customers of the

Company or their agent(s), representative(s) or member(s) of their family or any other entity(ies) with which they are affiliated;

Wrongful Acts alleged in any claim which has been reported under any policy of which this policy is a renewal or replacement;

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

Any pending or prior litigation as of the inception date of this policy, or derived from the same facts as alleged in such pending or prior litigation, etc.;

Wrongful Act which Insured knew or should reasonably have foreseen at the inception date of this policy;

Pollutants, contamination;

Nuclear material, radioactive contamination;

Bodily injury, disease, death or emotional distress of any person, or damage to tangible property, loss of use of property, or injury from oral or written publication of a libel or slander, or material that violates a person's right of privacy;

**Table of Contents**

Any alleged Wrongful Act of any Subsidiary of which the insured did not own more than 50% of stock either directly or indirectly through its Subsidiaries.

2. Special Exclusions (any loss related to following items) :

Punitive Damage

Nuclear Energy Liability

Mutual claim between Insureds

Claim of a large shareholder (one holding 15% or more of the outstanding shares)

Claim by a government entity

Professional Service liability

Section 16(b) of the Securities Exchange Act of 1934 or a similar law

ERISA(Employee Retirement Income Security Act)

The so called Year 2000 Problem

War & Terrorism

Asbestos/Mould liability

Patent / Copyright liability, etc.

D. Employees

(as of June 30, 2008)

(Unit: person, in millions of Won)

| Sex    | Details of Employees |                |        |        | Total Salary<br>in 2008 H1 | Per Capita<br>Salary | Average<br>Service Year |
|--------|----------------------|----------------|--------|--------|----------------------------|----------------------|-------------------------|
|        | Office<br>Worker     | Line<br>Worker | Others | Total  |                            |                      |                         |
| Male   | 5,396                | 6,397          |        | 11,793 | 314,526                    | 28.3                 | 5.1                     |
| Female | 414                  | 4,634          |        | 5,048  | 96,639                     | 19.4                 | 3.1                     |
| Total  | 5,810                | 11,031         |        | 16,841 | 411,165                    | 25.5                 | 4.5                     |



\* Directors and executive officers have been excluded.

E. Stock option

The following table sets forth certain information regarding our stock options as of June 30, 2008.

| Executive Officers<br>(including Former<br>Officers) | Grant Date    | Exercise Period |               | Exercise<br>Price | Number of<br>Granted<br>Options | Number of<br>Exercised<br>Options | Number of<br>Exercisable<br>Options* |
|--|---------------|-----------------|---------------|-------------------|---------------------------------|-----------------------------------|--------------------------------------|
|  |               | From            | To            |                   |                                 |                                   |                                      |
| Ron H. Wirahadiraksa                                 | April 7, 2005 | April 8, 2008   | April 7, 2012 | KRW 44,050        | 100,000                         | 0                                 | 50,000                               |
| Duke M. Koo  | April 7, 2005 | April 8, 2008   | April 7, 2012 | KRW 44,050        | 40,000                          | 0                                 | 20,000                               |
| Sang Deog Yeo  | April 7, 2005 | April 8, 2008   | April 7, 2012 | KRW 44,050        | 40,000                          | 0                                 | 20,000                               |
| Jae Geol Ju  | April 7, 2005 | April 8, 2008   | April 7, 2012 | KRW 44,050        | 40,000                          | 0                                 | 20,000                               |
| <b>Total</b>   |               |                 |               |                   | <b>220,000</b>                  |                                   | <b>110,000</b>                       |

\* When the increase rate of the Company's 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 the Company's 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****7. Financial Information**

## A. Financial highlights (Based on Non-consolidated, Korean GAAP)

| Description                                   | (Unit: In millions of Won) |            |            |            |           |
|---|----------------------------|------------|------------|------------|-----------|
|   | 2008 H1                    | 2007       | 2006       | 2005       | 2004      |
| Current Assets                                | 7,843,293                  | 5,644,253  | 2,731,656  | 3,196,934  | 2,638,616 |
| Quick Assets                                  | 6,650,057                  | 4,963,657  | 1,996,280  | 2,725,169  | 2,170,617 |
| Inventories                                   | 1,193,236                  | 680,596    | 735,376    | 471,765    | 467,999   |
| Non-current Assets                            | 7,829,857                  | 7,750,182  | 10,084,191 | 9,798,981  | 6,960,077 |
| Investments                                   | 769,314                    | 489,114    | 361,558    | 213,984    | 168,055   |
| Tangible Assets                               | 6,650,191                  | 6,830,600  | 8,860,076  | 8,988,459  | 6,366,651 |
| Intangible Assets                             | 169,947                    | 111,530    | 114,182    | 149,894    | 183,471   |
| Other Non-current Asset                       | 240,405                    | 318,938    | 748,375    | 446,644    | 241,900   |
| Total Assets                                  | 15,673,150                 | 13,394,435 | 12,815,847 | 12,995,915 | 9,598,693 |
| Current Liabilities                           | 3,394,169                  | 2,245,410  | 2,694,389  | 2,594,282  | 1,900,765 |
| Non-current Liabilities                       | 2,702,169                  | 2,859,652  | 3,231,782  | 2,726,036  | 1,925,286 |
| Total Liabilities                             | 6,096,338                  | 5,105,062  | 5,926,171  | 5,320,318  | 3,826,051 |
| Capital Stock                                 | 1,789,079                  | 1,789,079  | 1,789,079  | 1,789,079  | 1,626,579 |
| Capital Surplus                               | 2,311,071                  | 2,311,071  | 2,275,172  | 2,279,250  | 1,012,271 |
| Other Accumulated Comprehensive Income (Loss) | 69,516                     | 5,823      | (13,948)   | (1,418)    | 42,118    |
| Retained Earnings                             | 5,407,146                  | 4,183,400  | 2,839,373  | 3,608,686  | 3,091,674 |
| Total Shareholders Equity                     | 9,576,812                  | 8,289,373  | 6,889,676  | 7,675,597  | 5,772,642 |

**Table of Contents**

| Description                             | 2008 H1   | 2007       | 2006       | 2005      | 2004      |
|---|-----------|------------|------------|-----------|-----------|
| Sales Revenues                          | 8,251,154 | 14,163,131 | 10,200,660 | 8,890,155 | 8,079,891 |
| Operating Income (Loss)                 | 1,779,499 | 1,491,135  | (945,208)  | 447,637   | 1,640,708 |
| Income (Loss) from continuing operation | 1,492,108 | 1,344,027  | (769,313)  | 517,012   | 1,655,445 |
| Net Income (Loss)                       | 1,492,108 | 1,344,027  | (769,313)  | 517,012   | 1,655,445 |

## B. R&amp;D Expense

## (1) Summary

| Account                                      |                                   | (Unit: In millions of Won) |         |         |
|--|-----------------------------------|----------------------------|---------|---------|
|  |                                   | 2008 H1                    | 2007    | 2006    |
| Material Cost                                |                                   | 125,206                    | 246,577 | 291,714 |
| Labor Cost                                   |                                   | 68,400                     | 110,586 | 87,078  |
| Depreciation Expense                         |                                   | 10,352                     | 22,516  | 20,671  |
| Others                                       |                                   | 16,971                     | 34,737  | 36,649  |
| Total R&D Expense                            |                                   | 220,929                    | 414,416 | 436,112 |
| Accounting Treatment                         | Selling & Administrative Expenses | 68,416                     | 106,082 | 82,635  |
|  | Manufacturing Cost                | 152,513                    | 308,334 | 353,477 |
| R&D Expense / Sales Ratio                    |                                   | 2.7%                       | 2.9%    | 4.3%    |
| [Total R&D Expense/Sales for the period×100] |                                   |                            |         |         |

## (2) R&amp;D achievements

[Achievements in 2004]

## 1) Development of 20.1-inch AMOLED

Joint development of 20.1-inch AMOLED with LG Electronics

Development of world's largest 20.1-inch wide AMOLED based on LTPS technology

## 2) Development of copper bus line

Next generation LCD technology to significantly improve brightness, definition and resolution, etc.

## 3) Development and mass production of world's largest TFT-LCD panel for full-HD TV (55-inch) in October 2004.

Stitch Lithography and Segmented Circuit Driving to cope with large-size LCD Panel

Achievement of high contrast ratio and fast response time through new technologies

Application of innovative panel technology to solve the weak point (gravity/touch stains) of large size

**Table of Contents**

4) Development of ultra high resolution product (30-inch)

World's first success in mass production of LCM applying Cu Line (source & gate area)

Achievement of ultra high resolution (2560x1600 : 101ppi)

5) Development of the world's lowest power-consumption, 32-inch wide LCD TV model

Development of the world's lowest power consumption, under 90W model (EEFL applied)

High contrast ratio, fast response time (DCR + ODC applied)

[Achievements in 2005]

6) Development of high luminance and high color gamut 17-inch wide LCD panel for notebook computer

World's first 500nit luminance and 72% color gamut in 17-inch wide for notebook computer

Development of 6200nit luminance backlight

7) Development of world's largest 10.1-inch Flexible Display

Joint development with E-ink Corporation

8) 37-inch, 42-inch, 47-inch full-HD model development, applying low resistance line (copper bus line)

World's first mass production of copper bus line model

Realize full-HD Resolution (1920x1080)

9) 37-inch wide LCD model development which is the world's best in power consumption

The lowest power consumption of below 120W (applying EEFL)

High contrast ratio, fast response time with DCR, ODC technology.

[Achievements in 2006]

10) Development of high brightness/color gamut 17-inch wide slim LCD for notebook computer

Slim model (10tg7t), featuring 500nit, NTSC 72%

Development of slim and high brightness backlight

11) World's largest size 100-inch TFT-LCD development

High quality image without noise or signal distortion, applying low resistance copper bus line

High dignity picture for full-HD TV

12) 32-inch/42-inch HCFL Scanning Backlight applied LCD TV model development

Realization of MBR (Motion Blur Reduction) by application of Backlight Scanning technology

Lamp Quantity Reduction by HCFL (Hot Cathode Fluorescent Lamp) application

13) World's largest 20.1-inch TFT-LCD for notebook computer development

S-IPS Mode, sRGB, Realization of DCR 3000:1 by backlight control, brightness 300nit

14) Ultra-slim TFT-LCD development for mobile phones

Realization of 1.3t by reducing light guide plate & glass thickness

15) The fast response 2.0-inch TFT-LCD development for mobile phones

Realization of high quality image by new liquid crystal development (25msg16ms)

**Table of Contents**

16) Wide color gamut 30-inch wide TFT-LCD monitor development

Realization of 92% high color gamut by application of WCG CCFL

17) LGE Chassis integration model (Tornado) development (32-inch/37-inch/42-inch)

Maximized cost reduction by co-design with LGE & LPL

Improved product competitiveness by thin & light design

18) 32-inch 120Hz new-mode panel development

Cost reduction & spec. upgrade by new-mode panel

MBR (Motion Blur Reduction) by 120Hz driving

19) CI model development (new concept BL)

Cost reduction and productivity improvement by new concept backlight

[Achievements in 2007]

20) Development of first Poland model

32-inch HD model

21) Development of socket type backlight model

42-inch FHD model

47-inch HD/FHD model

22) Development of new concept backlight model

Development of 32-inch HD model

42/47-inch model under development

23) Development of interlace image sticking free technology and model

Improvement of low picture quality caused by TV interlace signals

24) Development of TFT-LCD with ODF (One Drop Filling) for mobile phone application

Our first ODF model for mobile phone application (1.52 inch)

25) Development of GIP (Gate in Panel) application model 15XGA

Removed gate drive IC: 3ea g 0ea

Reduction in net material costs and shortening of assembly process

26) 24-inch TN (92%) monitor model development

The world's first large-size panel TN application

Realization of 92% high color gamut on the world's largest TN panel

27) 15.4-inch LED backlight applied model development

The world's first 15.4-inch wide LED-applied display panel for notebook computers

The world's largest LED-applied panel for notebook computers

28) Development of FHD 120Hz display panel

37- to 47-inch FHD model

**Table of Contents**

29) Development of backlight localization model

32-inch HD model

30) Development of enhanced Dynamic Contrast Ratio technology

32-inch HD model

Enhanced from 5000:1 to 10000:1

31) Development of technology that improves panel transmittance

Expected to be applied to new models

32) Development of THM (through-hole mounting) technology and model

37- to 47-inch model

Providing more mounting options to users

33) Development of the world's first DRD (Double Rate Driving) technology-applied model

Source Drive IC reduction: 6ea g 3ea

Reduction in net material costs and shortening of assembly process

34) COG (Chip On Panel) applied model development

Development of thin and light LCD panels made possible by flat type structure

35) 26-inch/30-inch IPS 102% monitor model development

Development of 26-inch/30-inch IPS model that can realize 102% wide color gamut

36) 2.4-inch narrow bezel for Mobile Display

The borders on the left and right sides of this 2.4-inch qVGA-resolution (240RGB×320) LCD panel measure just 1mm each. This is approximately 50% thinner than most a-Si TFT LCD panels currently produced, which generally have borders measuring closer to 2mm

37) Development of 6-inch Electrophoretic Display Product (EDP) to be used in e-books. The first EPD product for LG Display



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

The first EDP to be developed and launched for e-books, the 6-inch SVGA-resolution (800RGBX600) EDP will be supplied to SONY

[Achievements in 2008]

38) 42FHD Ultra-Slim LCD TV development

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

39) 37FHD COF adoption LCD TV development

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

40) Scanning Backlight Technology development

Achieve 6ms MPRT from 8ms

41) 24WUXGA monitor model development applying RGB LED backlight

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

42) 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)

**Table of Contents**

43) 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

44) 17.1-inch notebook computer model development applying RGB LED backlight

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

45) Free Form LCD development (Elliptical, Circle)

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

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.

46) 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.

47) New liquid crystal development

CR: Up 5% compared with the MP level.

Material cost is same to the MP material.

48) 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% to 67%

49) 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

50) LED backlight 47FHD TV model in development

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

**Table of Contents**

## C. Domestic Credit Rating

| Subject             | Month of rating | Credit rating | Rating agency                                  |
|---------------------|-----------------|---------------|--|
|                     |                 |               | (Rating range)                                 |
| Corporate Debenture | March 2005      | AA-           | National Information & Credit Evaluation, Inc. |
|                     | June 2005       | AA-           |  |
|                     | June 2006       | AA-           |  |
|                     | December 2006   | A+            |  |
|                     | June 2007       | A+            |  |
|                     |                 |               | (AAA ~ D)                                      |
|                     | March 2005      | AA-           | Korea Investors Service, Inc.                  |
|                     | June 2005       | AA-           |  |
|                     | June 2006       | AA-           |  |
|                     | January 2007    | A+            |  |
| June 2007           | A+              |               |  |
|                     |                 | (AAA ~ D)     |  |
| Commercial Paper    | June 2005       | A1            | National Information & Credit Evaluation, Inc. |
|                     | January 2006    | A1            |  |
|                     | June 2006       | A1            |  |
|                     | December 2006   | A1            |  |
|                     | June 2007       | A1            |  |
|                     | December 2007   | A1            | (A1 ~ D)                                       |
|                     | June 2006       | A1            | Korea Investors Service, Inc.                  |
|                     | January 2007    | A1            |  |
|                     | June 2007       | A1            |  |
|                     |                 | December 2007 | A1   |

## D. Remuneration for directors in 2008 H1

| Classification    | Salary paid | Approved salary at shareholders meeting | Per capita average salary paid | (Unit: In millions of Won) |
|-------------------|-------------|---|--------------------------------|----------------------------|
|                   |             |   |                                | Remarks                    |
| Inside Directors  | 1,540       | 13,400                                  | 385                            |                            |
| (4 persons)       |             |   |                                |                            |
| Outside Directors | 165         |   | 33                             |                            |
| (5 persons)       |             |   |                                |                            |

\* Period: January 1, 2008 ~ June 30, 2008

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

**Table of Contents**

## E. Derivative contracts

## (1) Foreign currency forward contracts

(Unit: In millions)

| Contracting party        | Selling position |        | Buying position |         | Contract foreign exchange rate            | Maturity date                       | Purpose             |
|--------------------------|------------------|--------|-----------------|---------|---|-------------------------------------|---------------------|
| ABN AMRO Bank and others | US\$             | 611    | KRW             | 626,374 | KRW977.70 :US\$1 ~<br>KRW1,053.40 :US\$1  | July 1, 2008 ~<br>November 17, 2008 | Hedge of fair value |
| BNP Paribas and others   | US\$             | 94     | JPY             | 10,000  | JPY 104.63 :US\$1 ~<br>JPY 107.79:US\$1   | July 14, 2008 ~<br>August 14, 2008  | Hedge of fair value |
| BNP Paribas and others   | US\$             | 785    | KRW             | 774,609 | KRW 944.10 :US\$1 ~<br>KRW 1,050.10:US\$1 | July 1, 2008 ~<br>December 31, 2008 | Hedge of cash flow  |
| CALYON Bank and others   | KRW              | 38,470 | JPY             | 4,000   | 9.58: JPY1~<br>9.65: JPY1                 | July 14, 2008 ~<br>August 14, 2008  | Hedge of cash flow  |

## (2) Cross Currency Interest Rate Swap

(Unit: In millions)

| Contracting party       | Contract amount  |             | Contract interest rate           | Maturity date  | Purpose                           |
|-------------------------|------------------|-------------|----------------------------------|--|-----------------------------------|
| Kookmin Bank and others | Buying position  | US\$ 150    | 3M LIBOR ~                       | August 29,2011 ~   | Hedge of fair value and cash flow |
|                         | Selling position | KRW 143,269 | 3M LIBOR +0.53%<br>4.54% ~ 5.35% | January 31, 2012<br>August 29,2011 ~<br>January 31, 2012 | Hedge of fair value and cash flow |

## (3) Interest Rate Swap

(Unit: In millions)

| Contracting party                   | Contract amount | Contract interest rate |                 | Maturity date  | Purpose            |
|-------------------------------------|-----------------|------------------------|-----------------|----------------|--------------------|
| Standard Chartered First Bank Korea | US\$ 150        | Floating Rate Receipt  | 6 Month Libor   | May 21, 2009 ~ | Hedge of cash flow |
|                                     |                 | Fixed Rate Payment     | 5.375% ~ 5.644% | May 24, 2010   |                    |

**Table of Contents**

## (4) Currency Option

(Unit: In millions)

| Contracting party         | USD                           |     | USD                             |     | Strike Price                           | Maturity date                        | Purpose             |
|---------------------------|-------------------------------|-----|---------------------------------|-----|--|--------------------------------------|---------------------|
|                           | Put Option<br>Buying Position |     | Call Option<br>Selling Position |     |  |                                      |                     |
| Citibank Korea and others | US\$                          | 330 | US\$                            | 330 | KRW 941.00:US\$1 ~<br>KRW 999.10:US\$1 | July 9, 2008 ~<br>September 29, 2008 | Hedge of fair value |

## F. Status of equity investment

Status of equity investment as of June 30, 2008:

| Company                        | Total issued and<br>outstanding shares | Number of shares<br>owned by us | Ownership<br>ratio |
|--------------------------------|--|---------------------------------|--------------------|
| LG Display America, Inc.       | 5,000,000                              | 5,000,000                       | 100%               |
| LG Display Japan Co., Ltd.     | 1,900                                  | 1,900                           | 100%               |
| LG Display Germany GmbH        | 960,000                                | 960,000                         | 100%               |
| LG Display Taiwan Co., Ltd.    | 11,550,000                             | 11,550,000                      | 100%               |
| LG Display Nanjing Co., Ltd.   | *                                      | *                               | 100%               |
| LG Display Hong Kong Co., Ltd. | 115,000                                | 115,000                         | 100%               |
| LG Display Shanghai Co., Ltd.  | *                                      | *                               | 100%               |
| LG Display Poland Sp. zo.o.    | 5,110,710                              | 4,103,277                       | 80%                |
| LG Display Guangzhou Co., Ltd. | *                                      | *                               | 84%                |
| LG Display Shenzhen Co., Ltd.  | *                                      | *                               | 100%               |
| Paju Electric Glass Co., Ltd.  | 3,600,000                              | 1,440,000                       | 40%                |
| TLI Co., Ltd.                  | 7,760,575                              | 1,008,875                       | 13%                |
| AVACO Co., Ltd.                | 10,237,204                             | 2,037,204                       | 20%                |

\* No shares have been issued in accordance with the local laws and regulations.

**Table of Contents**

LG DISPLAY CO., LTD.

(Formerly, LG.Philips LCD Co., Ltd.)

Interim Non-Consolidated Financial Statements

(Unaudited)

**June 30, 2008**

(With Independent Accountants' Review Report Thereon)

**Table of Contents**

**Table of Contents**

|   | <b>Page</b> |
|---|-------------|
| <u>Independent Accountants' Review Report</u>                                 | 1           |
| <u>Interim Non-Consolidated Balance Sheets</u>                                | 3           |
| <u>Interim Non-Consolidated Statements of Income</u>                          | 5           |
| <u>Interim Non-Consolidated Statements of Changes in Stockholders' Equity</u> | 6           |
| <u>Interim Non-Consolidated Statements of Cash Flows</u>                      | 7           |
| <u>Notes to Interim Non-Consolidated Financial Statements</u>                 | 9           |



---

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)**

**Notes to Interim Non-Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

**Independent Accountants' Review Report**

Based on a report originally issued in Korean

To the Stockholders and Board of Directors

LG Display Co., Ltd.:

We have reviewed the accompanying interim non-consolidated balance sheet of LG Display Co., Ltd. (formerly, LG.Philips LCD Co., Ltd.) (the Company) as of June 30, 2008, and the related interim non-consolidated statements of income for each of the three-month and six-month periods ended June 30, 2008, changes in stockholders' equity and cash flows for the six-month period ended June 30, 2008. These interim non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our review. The accompanying interim non-consolidated statements of income for each of the three-month and six-month periods ended June 30, 2007, changes in stockholders' equity and cash flows for the six-month period ended June 30, 2007, presented for comparative purposes, were reviewed by Samil PricewaterhouseCoopers, whose report thereon dated July 25, 2007, stated that nothing had come to their attention that caused them to believe that these interim non-consolidated financial statements reviewed by them were not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea.

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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim non-consolidated financial statements referred to above are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea.

The non-consolidated balance sheet of the Company as of December 31, 2007 and the related non-consolidated statements of income, appropriation of retained earnings, changes in stockholders' equity and cash flows for the year then ended were audited by Samil PricewaterhouseCoopers and their report thereon, dated February 15, 2008, expressed an unqualified opinion. The accompanying non-consolidated balance sheet of the Company as of December 31, 2007, presented for comparative purposes, is not different from the above-stated non-consolidated balance sheet in all material respects.

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

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)**

**Notes to Interim Non-Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

July 18, 2008

This report is effective as of July 18, 2008, 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 interim non-consolidated 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.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Interim Non-Consolidated Balance Sheets****(Unaudited)****As at June 30, 2008 and December 31, 2007**

| <i>In millions of Won, except share data</i> | Note  | 2008                    | 2007              |
|--|-------|-------------------------|-------------------|
| <b>Assets</b>                                |       |                         |                   |
| Cash and cash equivalents                    |       | (Won) 804,128           | 1,109,749         |
| Short-term financial instruments             |       | 2,945,000               | 785,000           |
| Available-for-sale securities                | 3     | 74                      | 63                |
| Trade accounts and notes receivable, net     | 4, 18 | 2,231,588               | 2,462,946         |
| Other accounts receivable, net               | 4     | 56,899                  | 121,687           |
| Accrued income, net                          | 4     | 58,662                  | 14,044            |
| Advance payments, net                        | 4     | 1,317                   | 2,743             |
| Prepaid expenses                             |       | 58,698                  | 33,475            |
| Prepaid value added tax                      |       | 157,172                 | 94,564            |
| Deferred income tax assets, net              | 13    | 334,099                 | 330,277           |
| Inventories, net                             | 5     | 1,193,236               | 680,596           |
| Other current assets                         |       | 2,420                   | 9,109             |
| <b>Total current assets</b>                  |       | <b>7,843,293</b>        | <b>5,644,253</b>  |
| Long-term financial instruments              |       | 13                      | 13                |
| Equity-method investments                    | 6     | 644,481                 | 489,101           |
| Available-for-sale securities                | 3     | 114,386                 |                   |
| Long-term loans                              | 18    | 10,434                  |                   |
| Property, plant, and equipment, net          | 7     | 6,650,191               | 6,830,600         |
| Intangible assets, net                       |       | 169,947                 | 111,530           |
| Long-term other receivables, net             | 4     | 273                     | 364               |
| Long-term prepaid expenses                   |       | 162,480                 | 155,584           |
| Deferred income tax assets, net              | 13    | 25,920                  | 134,055           |
| Non-current guarantee deposits               |       | 38,491                  | 28,935            |
| Other non-current assets                     |       | 13,241                  |                   |
| <b>Total non-current assets</b>              |       | <b>7,829,857</b>        | <b>7,750,182</b>  |
| <b>Total assets</b>                          |       | <b>(Won) 15,673,150</b> | <b>13,394,435</b> |

*See accompanying notes to interim non-consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Interim Non-Consolidated Balance Sheets (continued)****(Unaudited)****As at June 30, 2008 and December 31, 2007**

| <i>In millions of Won, except share data</i>   | Note | 2008                    | 2007              |
|--|------|-------------------------|-------------------|
| <b>Liabilities</b>   |      |                         |                   |
| Trade accounts payable and notes payable   | 18   | (Won) 1,091,587         | 980,566           |
| Other accounts payable   |      | 1,098,669               | 554,920           |
| Advances received  |      | 10,845                  | 12,360            |
| Withholdings   |      | 6,285                   | 6,726             |
| Accrued expenses   |      | 178,663                 | 172,270           |
| Income tax payable   |      | 298,230                 | 72,342            |
| Warranty reserve   |      | 51,357                  | 49,295            |
| Current portion of long-term debt and debentures, net of discounts   | 8, 9 | 560,096                 | 350,281           |
| Other current liabilities  |      | 98,437                  | 46,650            |
| <b>Total current liabilities</b>   |      | <b>3,394,169</b>        | <b>2,245,410</b>  |
| Debentures, net of current portion and discounts on debentures   | 8    | 1,734,242               | 1,998,147         |
| Long-term debt, net of current portion   | 9    | 865,768                 | 807,510           |
| Long-term accrued expenses   | 10   |                         | 560               |
| Accrued severance benefits, net  |      | 89,210                  | 53,435            |
| Other non-current liabilities  |      | 12,949                  |                   |
| <b>Total non-current liabilities</b>   |      | <b>2,702,169</b>        | <b>2,859,652</b>  |
| <b>Total liabilities</b>   |      | <b>6,096,338</b>        | <b>5,105,062</b>  |
| <b>Stockholders equity</b>   |      |                         |                   |
| Common stock, (Won)5,000 par value. Authorized 500,000,000 shares: issued and outstanding<br>357,815,700 shares in 2008 and 2007 |      | 1,789,079               | 1,789,079         |
| Capital surplus  |      | 2,311,071               | 2,311,071         |
| Accumulated other comprehensive income   |      | 69,516                  | 5,823             |
| Retained earnings  |      | 5,407,146               | 4,183,400         |
| <b>Total stockholders equity</b>   |      | <b>9,576,812</b>        | <b>8,289,373</b>  |
| <b>Commitments and contingencies</b>   | 11   |                         |                   |
| <b>Total liabilities and stockholders equity</b>   |      | <b>(Won) 15,673,150</b> | <b>13,394,435</b> |

See accompanying notes to interim non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Interim Non-Consolidated Statements of Income****(Unaudited)****For the three-month and six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won, except earnings per share</i>    | Note   | For the three-month periods<br>ended June 30 |           | For the six-month periods<br>ended June 30 |           |
|---|--------|--|-----------|--|-----------|
|   |        | 2008   | 2007      | 2008                                       | 2007      |
| <b>Sales</b>  | 18, 19 | (Won) 4,069,100                              | 3,267,223 | (Won) 8,251,154                            | 5,873,586 |
| <b>Cost of sales</b>                                    | 15, 18 | 3,046,306                                    | 2,995,651 | 6,133,171                                  | 5,713,555 |
| <b>Gross profit</b>                                     |        | 1,022,794                                    | 271,572   | 2,117,983                                  | 160,031   |
| Selling and administrative expenses                     | 16, 18 | 191,579                                      | 132,892   | 338,484                                    | 258,644   |
| <b>Operating income (loss)</b>                          |        | 831,215                                      | 138,680   | 1,779,499                                  | (98,613)  |
| Interest income   |        | 52,209                                       | 11,510    | 90,686                                     | 18,878    |
| Rental income   |        | 838  | 1,044     | 1,684                                      | 2,051     |
| Foreign exchange gains                                  |        | 524,564                                      | 18,902    | 740,381                                    | 42,543    |
| Gain on foreign currency translation                    |        |  | 23,178    | 70,694                                     | 13,302    |
| Equity income on investments                            |        | 28,010                                       | 19,291    | 49,842                                     | 28,279    |
| Gain on disposal of property, plant and equipment       |        | 1,450  | 626       | 1,727                                      | 2,127     |
| Commission earned                                       |        | 6,887  | 11,826    | 9,015                                      | 17,796    |
| Gains on redemption of debentures                       | 8      | 172  |           | 188  |           |
| Other income  | 18     | 2,490  | 1,702     | 9,070                                      | 3,982     |
| <b>Non-operating income</b>                             |        | 616,620                                      | 88,079    | 973,287                                    | 128,958   |
| Interest expense  |        | 28,860                                       | 49,653    | 62,000                                     | 93,939    |
| Foreign exchange losses                                 |        | 485,416                                      | 26,671    | 652,655                                    | 40,770    |
| Loss on foreign currency translation                    |        | 32,272                                       | 10,332    | 141,685                                    | 10,332    |
| Donations   |        | 662  | 116       | 985  | 117       |
| Loss on disposal of trade accounts and notes receivable | 4      | 5,913  |           | 8,714                                      | 1,805     |
| Equity losses on investments                            |        | 2,572  | 17,463    | 16,958                                     | 12,233    |
| Loss on disposal of property, plant and equipment       |        | 6  | 479       | 491  | 482       |
| Impairment loss on property, plant and equipment        |        | 83   |           | 83   |           |
| Negative reversal of bad debt                           |        | 469  |           |  |           |
| Loss on redemption of debentures                        | 8      |  |           | 13   |           |
| Other expense   |        |  | 1         |  | 1         |
| <b>Non-operating expenses</b>                           |        | 556,253                                      | 104,715   | 883,584                                    | 159,679   |
| <b>Income (loss) before income taxes</b>                |        | 891,582                                      | 122,044   | 1,869,202                                  | (129,334) |
| Income tax expense (benefit)                            | 13     | 160,060                                      | (106,443) | 377,094                                    | (189,222) |
| <b>Net income</b>                                       |        | (Won) 731,522                                | 228,487   | (Won) 1,492,108                            | 59,888    |
| <b>Earnings per share</b>                               | 17     |  |           |  |           |
| Basic earnings per share                                |        | (Won) 2,044                                  | 639       | (Won) 4,170                                | 167       |

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

|                            |       |       |     |       |       |     |
|----------------------------|-------|-------|-----|-------|-------|-----|
| Diluted earnings per share | (Won) | 1,999 | 631 | (Won) | 4,076 | 167 |
|----------------------------|-------|-------|-----|-------|-------|-----|

*See accompanying notes to interim non-consolidated financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Interim Non-Consolidated Statements of Changes in Stockholders' Equity**

(Unaudited)

For the six-month periods ended June 30, 2008 and 2007

| <i>In millions of Won</i>                                  | Note   | Capital<br>Stock | Capital<br>Surplus | Accumulated<br>other<br>comprehensive<br>income (loss) | Retained<br>earnings | Total     |
|--|--------|------------------|--------------------|--|----------------------|-----------|
| <b>Balances at January 1, 2007</b>                         |        | (Won) 1,789,079  | 2,275,172          | (13,948)   | 2,839,373            | 6,889,676 |
| Net income   |        |                  |                    |  | 59,888               | 59,888    |
| Change in equity arising from application of equity method | 14     |                  |                    | 9,181  |                      | 9,181     |
| Gain on valuation of cash flow hedges                      | 12, 14 |                  |                    | (12,094)   |                      | (12,094)  |
| Loss on valuation of cash flow hedges                      | 12, 14 |                  |                    | 3,370  |                      | 3,370     |
| Change in consideration for conversion rights              |        |                  | 35,899             |  |                      | 35,899    |
| <b>Balances at June 30, 2007</b>                           |        | 1,789,079        | 2,311,071          | (13,491)   | 2,899,261            | 6,985,920 |
| <b>Balances at January 1, 2008</b>                         |        | 1,789,079        | 2,311,071          | 5,823  | 4,183,400            | 8,289,373 |
| Cash dividend  |        |                  |                    |  | (268,362)            | (268,362) |
| Net income   |        |                  |                    |  | 1,492,108            | 1,492,108 |
| Change in equity arising from application of equity method | 14     |                  |                    | 76,064   |                      | 76,064    |
| Change in fair value of available-for-sale securities      | 3, 14  |                  |                    | 13,149   |                      | 13,149    |
| Gain on valuation of cash flow hedges                      | 12, 14 |                  |                    | (784)  |                      | (784)     |
| Loss on valuation of cash flow hedges                      | 12, 14 |                  |                    | (24,736)   |                      | (24,736)  |
| <b>Balances at June 30, 2008</b>                           |        | (Won) 1,789,079  | 2,311,071          | 69,516   | 5,407,146            | 9,576,812 |

*See accompanying notes to interim non-consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Interim Non-Consolidated Statements of Cash Flows****(Unaudited)****For the six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won</i>   | Note | 2008            | 2007      |
|---|------|-----------------|-----------|
| <b>Cash flows provided by operating activities:</b>                   |      |                 |           |
| Net income  |      | (Won) 1,492,108 | 59,888    |
| <b>Adjustments for:</b>   |      |                 |           |
| Depreciation  |      | 1,261,599       | 1,318,857 |
| Amortization of intangible assets                                     |      | 24,796          | 22,448    |
| Gain on disposal of property, plant and equipment, net                |      | (1,236)         | (1,645)   |
| Impairment loss on property, plant and equipment                      |      | 83              |           |
| Loss on foreign currency translation, net                             |      | 70,992          | (3,559)   |
| Amortization of discount on debentures, net                           |      | 15,387          | 21,983    |
| Gain on redemption of debentures, net                                 |      | (175)           |           |
| Provision for warranty reserve  |      | 41,761          | 28,945    |
| Provision for severance benefits                                      |      | 44,447          | 39,429    |
| Equity income on investments, net                                     |      | (32,884)        | (16,046)  |
| Stock compensation cost   |      | (560)           |           |
|   |      | 1,424,210       | 1,410,412 |
| <b>Changes in operating assets and liabilities:</b>                   |      |                 |           |
| Decrease (increase) in trade accounts receivable and notes receivable |      | 270,841         | (560,800) |
| Decrease (increase) in inventories                                    |      | (512,640)       | (59,471)  |
| Decrease (increase) in other accounts receivable                      |      | 68,563          | (431)     |
| Decrease (increase) in accrued income                                 |      | (44,618)        | (2,941)   |
| Decrease (increase) in advance payments                               |      | 1,427           | 1,960     |
| Decrease (increase) in prepaid expenses                               |      | (10,898)        | (29,317)  |
| Decrease (increase) in prepaid value added tax                        |      | (55,334)        | (2,568)   |
| Decrease (increase) in current deferred income tax                    |      | 5,857           | (267,947) |
| Decrease (increase) in other current assets                           |      | 22,231          | 9,463     |
| Decrease (increase) in long-term prepaid expenses                     |      | (21,222)        | (45,835)  |
| Decrease (increase) in long-term other receivables                    |      | 91              |           |
| Decrease (increase) in other non-current assets                       |      | (13,241)        |           |
| Decrease (increase) in non-current deferred income tax                |      | 66,237          | 78,726    |
| Increase (decrease) in trade accounts and notes payable               |      | 102,854         | 18,682    |
| Increase (decrease) in other accounts payable                         |      | 105,067         | (33,290)  |
| Increase (decrease) in advances received                              |      | (1,515)         | 6,596     |
| Increase (decrease) in withholdings                                   |      | (442)           | 2,629     |
| Increase (decrease) in accrued expenses                               |      | 6,393           | 20,483    |
| Increase (decrease) in income tax payable                             |      | 225,888         |           |
| Increase (decrease) in warranty reserve                               |      | (30,035)        | (20,702)  |
| Increase (decrease) in other current liabilities                      |      | (20,617)        | (5,887)   |
| Accrued severance benefits transferred from affiliated company, net   |      | 2,201           | 2,020     |
| Payment of severance benefits   |      | (14,362)        | (38,267)  |
| Decrease (increase) in severance insurance deposits                   |      | 3,455           | 8,573     |
| Decrease (increase) in contribution to the National Pension Fund      |      | 33              | 65        |
|   |      | 156,214         | (918,259) |
| <b>Net cash provided by operating activities</b>                      |      | (Won) 3,072,532 | 552,041   |



*See accompanying notes to interim non-consolidated financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Interim Non-Consolidated Statements of Cash Flows (continued)

(Unaudited)

For the six-month periods ended June 30, 2008 and 2007

| <i>In millions of Won</i>                                   | Note | 2008                 | 2007             |
|---|------|----------------------|------------------|
| <b>Cash flows from investing activities:</b>                |      |                      |                  |
| Proceeds from maturity of short-term financial instruments  |      | (Won) 685,000        |                  |
| Acquisition of short-term financial instruments             |      | (2,845,000)          |                  |
| Acquisition of available-for-sale securities                |      | (96,260)             |                  |
| Cash dividend received                                      |      | 10,725               | 1,440            |
| Acquisition of equity method securities                     |      | (20,247)             | (102,230)        |
| Proceeds from disposal of property, plant and equipment     |      | 5,774                | 19,548           |
| Acquisition of property, plant and equipment                |      | (680,760)            | (869,654)        |
| Acquisition of intangible assets                            |      | (52,986)             | (4,213)          |
| Refund of non-current guarantee deposits                    |      | 38                   | 405              |
| Long-term loans   |      | (10,474)             |                  |
| Payment of non-current guarantee deposits                   |      | (9,593)              | (775)            |
| Government subsidy received                                 |      | 354                  |                  |
| <b>Net cash used in investing activities</b>                |      | <b>(3,013,429)</b>   | <b>(955,479)</b> |
| <b>Cash flows from financing activities:</b>                |      |                      |                  |
| Proceeds from debentures                                    |      |                      | 508,997          |
| Proceeds from long-term debt                                |      |                      | 273,014          |
| Repayment of current portion of long-term debt              |      | (46,836)             | (25,211)         |
| Redemption of debentures                                    |      | (49,526)             |                  |
| Payment of cash dividend                                    |      | (268,362)            |                  |
| <b>Net cash provided by (used in) financing activities</b>  |      | <b>(364,724)</b>     | <b>756,800</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b> |      | <b>(305,621)</b>     | <b>353,362</b>   |
| Cash and cash equivalents at beginning of period            |      | 1,109,749            | 788,066          |
| <b>Cash and cash equivalents at end of period</b>           |      | <b>(Won) 804,128</b> | <b>1,141,428</b> |

See accompanying notes to interim non-consolidated financial statements.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)**

**Notes to Interim Non-Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

**1 Organization and Description of Business**

LG Display Co., Ltd. (formerly, LG.Philips LCD Co., Ltd.) (the Company) was incorporated in 1985 under its original name of LG Soft, Ltd. as a wholly owned subsidiary of LG Electronics Inc. In 1998, LG Electronics Inc. and LG Semicon transferred their respective Thin Film Transistor Liquid Crystal Display ( TFT-LCD ) related business to the Company and its main business is to manufacture and sell TFT-LCD panels. In July 1999, LG Electronics Inc., and Koninklijke Philips Electronics N.V. ( Philips ) entered into a joint venture agreement. Pursuant to the agreement, the Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Company changed its name from LG.Philips LCD Co., Ltd. to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders meeting on the same date as a result of the decrease in Philips share interest in the Company and the possibility of its business expansion to Organic Light Emitting Diode ( OLED ) and Flexible Display products. As of June 30, 2008, the majority of shares in the Company are owned by LG Electronics Inc. and Philips, 37.9% (135,625 thousand shares) and 13.2% (47,225 thousand shares), respectively.

As of June 30, 2008, the Company's LCD Research & Development Center is located in Anyang, TFT-LCD manufacturing plants are located in Gumi and Paju and OLED manufacturing plant is located in Gumi. The Company's overseas subsidiaries are located in the United States of America, Europe and Asia.

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

**(a) Significant Accounting Policies**

The significant accounting policies followed by the Company in the preparation of its interim non-consolidated financial statements are same as those followed by the Company in its preparation of annual non-consolidated financial statements as of December 31, 2007 except for the application of the Statements of Korea Accounting Standard No. 2, *Interim Financial Reporting*.

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

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

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Notes to Interim Non-Consolidated Financial Statements

June 30, 2008

(Unaudited)

3 Available-For-Sale Securities

Available-for-sale securities as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>       | Acquisition<br>cost | Beginning<br>balance | 2008<br>Unrealized gains(losses)                     |                                     | Net<br>balance<br>at end of<br>period | Book<br>value<br>(fair value) |
|---------------------------------|---------------------|----------------------|--|-------------------------------------|---------------------------------------|-------------------------------|
|                                 |                     |                      | Changes in<br>unrealized<br>gains and<br>losses, net | Realized<br>gains on<br>disposition |                                       |                               |
| <b>Current asset</b>            |                     |                      |  |                                     |                                       |                               |
| <b>Debt securities</b>          |                     |                      |  |                                     |                                       |                               |
| Government bonds                | (Won) 74            |                      |  |                                     |                                       | 74                            |
| <b>Non-current asset</b>        |                     |                      |  |                                     |                                       |                               |
| <b>Equity securities</b>        |                     |                      |  |                                     |                                       |                               |
| HannStar Display Corporation(*) | (Won) 96,249        |                      | 18,137   |                                     | 18,137                                | 114,386                       |

(\*) The Company purchased 180 million shares of non-voting mandatorily redeemable convertible preferred stock. The preferred stocks are convertible into common stocks of HannStar Display Corporation at a ratio of 1:1 at the option of the Company from issue date (February 28, 2008) to maturity (February 28, 2011).

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

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

| <i>In millions of Won</i> | Acquisition<br>cost | Beginning<br>balance | 2007<br>Unrealized gains(losses)                     |                                     | Net<br>balance<br>at end of<br>period | Book<br>value<br>(fair value) |
|---------------------------|---------------------|----------------------|--|-------------------------------------|---------------------------------------|-------------------------------|
|                           |                     |                      | Changes in<br>unrealized<br>gains and<br>losses, net | Realized<br>gains on<br>disposition |                                       |                               |
| <b>Current asset</b>      |                     |                      |  |                                     |                                       |                               |
| <b>Debt securities</b>    |                     |                      |  |                                     |                                       |                               |
| Government bonds          | (Won) 63            |                      |  |                                     |                                       | 63                            |

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****4 Receivables**

The Company's receivables, including trade accounts and notes receivable as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>           | <b>Gross amount</b> | <b>2008<br/>Allowance for<br/>doubtful<br/>accounts</b> | <b>Book<br/>value</b> |
|-------------------------------------|---------------------|---|-----------------------|
| Trade accounts and notes receivable | (Won) 2,237,574     | 5,986   | 2,231,588             |
| Other accounts receivable           | 57,474              | 575   | 56,899                |
| Accrued income                      | 59,255              | 593   | 58,662                |
| Advance payments                    | 1,330               | 13  | 1,317                 |
| Long-term other receivable          | 276                 | 3   | 273                   |

| <i>In millions of Won</i>           | <b>Gross amount</b> | <b>2007<br/>Allowance for<br/>doubtful<br/>accounts</b> | <b>Book<br/>value</b> |
|-------------------------------------|---------------------|---|-----------------------|
| Trade accounts and notes receivable | (Won) 2,468,085     | 5,139   | 2,462,946             |
| Other accounts receivable           | 122,917             | 1,230   | 121,687               |
| Accrued income                      | 14,186              | 142   | 14,044                |
| Advance payments                    | 2,771               | 28  | 2,743                 |
| Long-term other accounts receivable | 368                 | 4   | 364                   |

Certain trade accounts and notes receivable arising from export sales were sold to financial institutions of which (Won)839,943 million is current and outstanding as of June 30, 2008. For the six-month periods ended June 30, 2008 and 2007, the Company recognized (Won)8,714 million and (Won)1,805 million, respectively, as loss on disposition of trade accounts and notes receivable.

**5 Inventories**

Inventories as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i> | <b>Gross amount</b> | <b>2008<br/>Valuation loss</b> | <b>Book<br/>value</b> |
|---------------------------|---------------------|--------------------------------|-----------------------|
| Finished goods            | (Won) 608,695       | 20,189                         | 588,506               |
| Merchandise               | 667                 |                                | 667                   |
| Work-in-process           | 428,051             | 9,633                          | 418,418               |
| Raw materials             | 147,046             | 5,283                          | 141,763               |
| Supplies                  | 72,543              | 28,661                         | 43,882                |
|                           | (Won) 1,257,002     | 63,766                         | 1,193,236             |



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****5 Inventories, Continued**

| <i>In millions of Won</i> | <b>Gross amount</b> | <b>2007</b>           |                   |
|---------------------------|---------------------|-----------------------|-------------------|
|                           |                     | <b>Valuation loss</b> | <b>Book value</b> |
| Finished goods            | (Won) 315,363       | 4,388                 | 310,975           |
| Work-in-process           | 216,258             | 7,590                 | 208,668           |
| Raw materials             | 110,652             | 2,604                 | 108,048           |
| Supplies                  | 78,936              | 26,031                | 52,905            |
|                           | (Won) 721,209       | 40,613                | 680,596           |

**6 Investment in Equity Securities**

During the three month period ended June 30, 2008, the Company acquired 1,008,875 common shares (13.0%) and 2,037,204 common shares (19.9%) of TLI Inc. and AVACO Co., Ltd. at (Won)14,074 million and (Won)6,173 million, respectively. Although the Company's share interest in these investees are below 20%, the Company is able to exercise significant influence through its right to assign a director in the board of directors of the investees and, accordingly, the investment in these investees have been accounted for using the equity method.

**7 Property, Plant and Equipment**

Property, plant and equipment as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>        | <b>2008</b>   | <b>2007</b>  |
|----------------------------------|---------------|--------------|
| Acquisition cost:                |               |              |
| Land                             | (Won) 358,253 | 314,550      |
| Buildings                        | 2,015,099     | 1,990,142    |
| Structures                       | 177,407       | 171,018      |
| Machinery and equipment          | 14,362,226    | 14,220,650   |
| Tools                            | 100,122       | 115,943      |
| Furniture and fixtures           | 444,347       | 436,509      |
| Vehicles                         | 10,797        | 10,291       |
| Others                           | 8,758         | 8,509        |
| Machinery-in-transit             | 189,099       | 19,043       |
| Construction-in-progress         | 1,367,650     | 739,579      |
|                                  | 19,033,758    | 18,026,234   |
| Less accumulated depreciation    | (12,380,557)  | (11,176,588) |
| Less accumulated impairment loss | (83)          | (16,139)     |
| Less government subsidies        | (2,927)       | (2,907)      |

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

### **Property, plant and equipment, net**

(Won) 6,650,191      6,830,600

The Company capitalizes the interest expense and loss on foreign currency translation incurred on borrowings used to finance the cost of constructing facilities and equipment. Capitalized loss on foreign currency translation and interest expenses for the six-month period ended June 30, 2008 and the year ended December 31, 2007, amount to (Won)18,662 million and (Won)25,217 million, respectively.



**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Notes to Interim Non-Consolidated Financial Statements

June 30, 2008

(Unaudited)

8 Debentures

(a) Details of debentures issued by the Company as of June 30, 2008 and December 31, 2007 are as follows:  
*In millions of Won*

|                                    | Maturity        | Annual<br>interest rate | 2008            | 2007      |
|------------------------------------|-----------------|-------------------------|-----------------|-----------|
| <b>Local currency debentures</b>   |                 |                         |                 |           |
| Public debentures                  | October 2008 ~  |                         |                 |           |
|                                    | March 2010      | 3.50 ~ 5.00%            | (Won) 1,130,000 | 1,180,000 |
| Private debentures                 | December 2010 ~ |                         |                 |           |
|                                    | June 2011       | 5.30 ~ 5.89%            | 600,000         | 600,000   |
| Less discount on debentures        |                 |                         | (6,477)         | (9,526)   |
| Less current portion of debentures |                 |                         | (478,701)       | (249,110) |
|                                    |                 |                         | 1,244,822       | 1,521,364 |
| <b>Foreign currency debentures</b> |                 |                         |                 |           |
| Convertible bond                   | April 2012      | zero coupon             | 511,555         | 511,555   |
| Less discount on debentures        |                 |                         | (2,002)         | (2,237)   |
| Less conversion right adjustment   |                 |                         | (105,921)       | (118,323) |
| Add redemption premium             |                 |                         | 85,788          | 85,788    |
|                                    |                 |                         | 489,420         | 476,783   |
|                                    |                 |                         | (Won) 1,734,242 | 1,998,147 |

Principal of the local currency debentures are to be repaid at maturity and interests are paid quarterly. The Company has redeemed local currency debentures amounting to (Won)50,000 million for the six-month period ended June 30, 2008. As a result, the Company recognized gain and loss on redemption of debentures (Won)188 million and (Won)13 million, respectively.

(b) Details of the convertible bond as of June 30, 2008 are as follows:

|                   | Terms and Conditions           |
|-------------------|--------------------------------|
| Issue date        | April 18, 2007                 |
| Maturity date     | April 18, 2012                 |
| Conversion period | April 19, 2008 ~ April 3, 2012 |

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

Conversion price in Won

(Won) 48,760

Issued amount

USD 550 million

The bond will be repaid at 116.77% of their principal amount at maturity unless the put option of bondholders are exercised in which case the bondholders will be repaid at 109.75% of their principal amount on April 18, 2010.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****8 Debentures, Continued**

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 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)49,070 to (Won)48,760 per share due to payment of cash dividends of (Won)750 per share for the year ended December 31, 2007. The number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

*In Won and share*

|                             | <b>June 30, 2008</b>  | <b>December 31,<br/>2007</b> |
|-----------------------------|-----------------------|------------------------------|
| Convertible bond amount (*) | (Won) 513,480,000,000 | 513,480,000,000              |
| Conversion price            | (Won) 48,760          | 49,070                       |
| Common shares to be issued  | 10,530,762            | 10,464,234                   |

(\*) The exchange rate for the conversion is fixed at (Won)933.6 to USD 1.

(c) Aggregate maturities of the Company's debentures as of June 30, 2008 are as follows:

*In millions of Won*

| <b>Period</b>                | <b>Debentures</b> | <b>Convertible bonds</b> | <b>Total</b> |
|------------------------------|-------------------|--------------------------|--------------|
| July 1, 2008 ~ June 30, 2009 | (Won) 480,000     |                          | 480,000      |
| July 1, 2009 ~ June 30, 2010 | 650,000           |                          | 650,000      |
| July 1, 2010 ~ June 30, 2011 | 600,000           |                          | 600,000      |
| July 1, 2011 ~ June 30, 2012 |                   | 597,343                  | 597,343      |
|                              | (Won) 1,730,000   | 597,343                  | 2,327,343    |

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



**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)**9 **Long-Term Debt**

(a) Long-term debt as of June 30, 2008 and December 31, 2007 is as follows:

*In millions of Won*

| Lender                                    | Annual interest rate*                    | 2008          | 2007     |
|---|--|---------------|----------|
| <b>Local currency loans</b>               |  |               |          |
| Korea Development Bank ( KDB ) and others | 5.88 ~ 6.08%                             | (Won) 81,983  | 109,117  |
| Shinhan Bank                              | 3 year Korean Treasury Bond rate - 1.25% | 18,982        | 18,982   |
| Less current portion of long-term debt    |  | (59,483)      | (61,767) |
|   |  | (Won) 41,482  | 66,332   |
| <b>Foreign currency loans</b>             |  |               |          |
| The Export-Import Bank of Korea           | 6ML+0.69 ~ 1.20%                         | (Won) 58,431  | 58,168   |
| Korea Development Bank                    | 3ML+0.66 ~ 1.35%                         | 161,727       | 159,494  |
| Kookmin Bank and others                   | 3ML+0.35 ~ 0.53%                         | 417,360       | 375,280  |
|   | 6ML+0.41 %                               | 208,680       | 187,640  |
| Foreign currency equivalent               |  | USD 811       | USD 832  |
| Less current portion of long-term debt    |  | (21,912)      | (39,404) |
|   |  | (Won) 824,286 | 741,178  |

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

(b) Aggregate maturities of the Company's long-term debt as of June 30, 2008 are as follows:

*In millions of Won*

| Period                       | Local currency loans | Foreign currency loans | Total  |
|------------------------------|----------------------|------------------------|--------|
| July 1, 2008 ~ June 30, 2009 | (Won) 59,483         | 21,912                 | 81,395 |
| July 1, 2009 ~ June 30, 2010 | 23,703               |                        | 23,703 |

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

|                              |               |         |         |
|------------------------------|---------------|---------|---------|
| July 1, 2010 ~ June 30, 2011 | 3,669         | 219,114 | 222,783 |
| July 1, 2011 ~ June 30, 2012 | 3,796         | 573,870 | 577,666 |
| Thereafter                   | 10,314        | 31,302  | 41,616  |
|                              | (Won) 100,965 | 846,198 | 947,163 |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)**10 Share-Based Payments

- (a) The terms and conditions of grants as of June 30, 2008 are as follows:

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

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

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

(\*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, only 110,000 shares, 50% of the outstanding SARs as of June 30, 2008, are exercisable.

- (b) The changes in the number of share options outstanding for the six-month period ended June 30, 2008 and for the year ended December 31, 2007 are as follows:

*In share*

|                                | <b>Stock appreciation rights</b> |             |
|--------------------------------|----------------------------------|-------------|
|                                | <b>2008</b>                      | <b>2007</b> |
| Balance at beginning of period | 220,000                          | 260,000     |
| Forfeited or cancelled         | 110,000                          | 40,000      |
| Outstanding at end of period   | 110,000                          | 220,000     |
| Exercisable at June 30, 2008   | 110,000                          |             |

- (c) The Company reversed accumulated stock compensation cost of (Won)560 million for the six-month period ended June 30, 2008 as the market price of the Company's common share was less than the exercise price of a SARs.





**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)**

**Notes to Interim Non-Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

11 Commitments and Contingencies

(a) Commitments

Overdraft agreements and credit facility agreement

As of June 30, 2008, the Company has bank overdraft agreements with Woori Bank and other various banks amounting to (Won)59,000 million and has a revolving credit facility agreement with Shinhan Bank and several other banks totaling (Won)100,000 million and USD100 million.

Factoring and securitization of accounts receivable

As of June 30, 2008, the Company has agreements with Korea Development Bank and other several banks for U.S. dollar denominated accounts receivable negotiating facilities of up to an aggregate of USD1,596.5 million.

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and LG Display HongKong Co., Ltd. entered into a five-year accounts receivable selling program with Standard Chartered Bank, selling accounts receivable on a revolving basis, of up to USD600 million. The Company joined this program in April 2007. For the six-month period ended June 30, 2008, no accounts and notes receivable were sold that are past due.

Letters of credit

The Company has letters has agreements with Korea Exchange Bank and other banks in relation to the opening of letters of credit amounting to (Won)90,000 million and USD35.5 million.

Payment guarantees

The Company receives repayment guarantee from ABN AMRO Bank amounting to USD8.5 million relating to tax payments in Poland. As of June 30, 2008, the Company entered into a payment guarantee agreement with a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR70 million term loan credit facility of LG Display Poland Sp. zo.o.

License agreements

As of June 30, 2008, in relation to its TFT-LCD business, the Company has technical license agreements with Hitachi, Ltd., and others and has a trademark license agreement with LG Corporation. The trademark license agreement with Koninklijke Philips Electronics N.V. has expired as of June 30, 2008.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****11 Commitments and Contingencies. Continued****(b) Contingencies**

As of June 30, 2008, the Company is involved in several legal proceedings and claims arising in the ordinary course of business. The Company's management does not expect that the outcome in these legal proceedings and claims, individually or collectively, will have any material adverse effect on the Company's financial condition, results of operations or cash flows.

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

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

**Intervention in Positive Technologies, Inc.'s patent infringement lawsuit**

On April 14, 2006, Positive Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against, among others, several of the Company's customers, including BenQ America Corp., Hitachi America Ltd., Panasonic Corp. of North America, Philips Electronics North America Corp. and Toshiba America, Inc. for alleged infringement of two of its patents relating to LCD displays. Positive Technologies, Inc. is seeking, among other things, damages for past infringement. On March 7, 2007, the United States District Court for the Eastern District of Texas granted the Company's intervention in the patent infringement case brought by Positive Technologies, Inc.

**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 connection with the usage of photo-masking equipment manufactured by Nikon Corporation.

**Investigation on anti-competitive activities by authorities in Korea, Japan and U.S.**

The Company is currently under investigation by the fair trade or antitrust authorities in Korea, Japan, U.S. and other markets with respect to possible anti-competitive activities in the LCD industry. As of June 30, 2008, the Company, along with a number of other companies in the LCD industry, has been named as defendants in a number of purported federal class actions in the United States alleging that the defendants violated the antitrust laws in connection with the sale of LCD panels. In February 2007, the Company and certain of its officers and directors have been named as defendants in a federal class action in the United States by the shareholders of the Company alleging violations of the U.S. Securities Exchange Act of 1934, as amended, by the Company and certain of its officers and directors in connection with possible anti-competitive activities in the LCD industry.

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Notes to Interim Non-Consolidated Financial Statements

June 30, 2008

(Unaudited)

12 Derivative Instruments

(a) Details of derivative instruments as of June 30, 2008 are as follows:

|                     | <b>Hedging purpose</b> | <b>Derivative instrument</b>   |
|---------------------|------------------------|--|
| Hedge of fair value |                        | Foreign Currency Forwards<br>Range Forward Options                     |
| Hedge of cash flows |                        | Foreign Currency Forwards<br>Cross Currency Swap<br>Interest Rate Swap |

(b) Hedge of fair value

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

(i) Foreign Currency Forwards

Details of foreign currency forwards outstanding as of June 30, 2008 are as follows:

*In millions of Won, millions of JPY and thousands of USD, except forward rate and maturity date*

| <b>Bank</b>                 | <b>Maturity date</b> | <b>Selling</b> | <b>Buying</b> | <b>Forward rate</b>  |
|-----------------------------|----------------------|----------------|---------------|----------------------|
| ABN AMRO Bank and others    | July 1, 2008 ~       | USD 611,000    | (Won) 626,374 | (Won) 977.70 ~       |
|                             | November 17, 2008    |                |               | (Won) 1053.40 : USD1 |
| BNP PARIBAS Bank and others | July 14, 2008 ~      | USD 94,414     | JPY 10,000    | JPY 104.63 ~         |
|                             | August 14, 2008      |                |               | JPY 107.79 : USD1    |

(ii) Range Forward Options

Details of range forward options outstanding as of June 30, 2008 are as follows:

*In millions of Won and thousands of USD, except forward rate and maturity date*

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

| Bank                 | Maturity date      | Selling     | Buying      | Forward rate        |
|----------------------|--------------------|-------------|-------------|---------------------|
| Citi Bank and others | July 9, 2008 ~     | USD 330,000 | USD 330,000 | (Won) 941.00 ~      |
|                      | September 29, 2008 |             |             | (Won) 999.10 : USD1 |

(iii) Unrealized gains and losses related to the forward derivatives as of June 30, 2008 are as follows:

*In millions of Won*

| Type                      | Unrealized gains | Unrealized losses |
|---------------------------|------------------|-------------------|
| Foreign Currency Forwards | (Won) 843        | 13,265            |
| Range Forward Options     |                  | 28,307            |

The unrealized gains and losses are charged to operations as gains and losses on foreign currency translation for the six-month period ended June 30, 2008.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)**12 Derivative Instruments, Continued

## (c) Hedge of cash flows

The Company enters into foreign currency forward contracts to manage the exposure to changes in foreign currency related to purchase of raw materials and sale of products in accordance with its foreign currency risk management policy. In addition, the Company entered into cross currency swap and interest rate swap contracts to manage the exposure to changes in cash flows from changes in foreign currency exchange rates and interest rates related to floating rate notes.

Net unrealized gains and losses, net of related taxes, incurred relating to cash flow hedges from forecasted exports and the purchase of materials, were recorded as accumulated other comprehensive income. Unrealized gains and losses from the contracts that did not meet the requirements for a cash flow hedge were charged to operations as foreign currency translation gains and losses.

## (i) Foreign Currency Forwards

Details of foreign currency forwards outstanding as of June 30, 2008 are as follows:

*In millions of Won, millions of JPY and thousands of USD, except forward rate and maturity date*

| Bank                        | Maturity date     | Selling      | Buying        | Forward rate         |
|-----------------------------|-------------------|--------------|---------------|----------------------|
| BNP PARIBAS Bank and others | July 1, 2008 ~    |              |               | (Won) 944.10 ~       |
|                             | December 31, 2008 | USD 785,000  | (Won) 774,609 |                      |
| CALYON Bank and others      | July 14, 2008 ~   |              |               | (Won) 1050.10 : USD1 |
|                             | August 14, 2008   | (Won) 38,470 | JPY 4,000     | (Won) 9.58 ~         |
|                             |                   |              |               | (Won) 9.65: JPY1     |

The net unrealized losses recorded, amounting to W44,889 million, under accumulated other comprehensive income, are expected to be recognized as realized gain and loss within the next twelve months.

## (ii) Cross Currency Swap

*In millions of Won and thousands of USD, except forward rate and maturity date*

| Bank                    | Maturity date     | Selling | Buying      | Contract rate      |
|-------------------------|-------------------|---------|-------------|--------------------|
| Kookmin Bank and others | August 29, 2011 ~ |         |             | Receive 3M LIBOR ~ |
|                         | January 31, 2012  |         | USD 150,000 | floating rate      |
|                         |                   |         |             | 3M LIBOR+0.53%     |

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

(Won) 143,269

Pay fixed rate 4.54% ~ 5.35%

In relation to the abovementioned cross currency swap, unrealized losses amounting to W1,239 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as gain and loss within the next twelve months.

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Notes to Interim Non-Consolidated Financial Statements

June 30, 2008

(Unaudited)

12 Derivative Instruments, Continued

(iii) Interest Rate Swap

*In thousands of USD, except forward rate and maturity date*

| Bank          | Maturity date  | Contract amount | Contract rate                  |
|---------------|----------------|-----------------|--------------------------------|
| SC First Bank | May 21, 2009 ~ | USD 150,000     | Receive 6M LIBOR               |
|               | May 24, 2010   |                 | floating rate                  |
|               |                |                 | Pay fixed rate 5.375% ~ 5.644% |

In relation to the abovementioned interest rate swap, unrealized losses amounting to W3,338 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as gain and loss within the next twelve months.

(iv) Unrealized gains and losses related to hedge of cash flows as of June 30, 2008 are as follows:

*In millions of Won*

| Type                      | Unrealized gains | Unrealized losses | Cash flow hedge requirements |
|---------------------------|------------------|-------------------|------------------------------|
| Foreign currency forwards | (Won) 985        | 45,874            | Fulfilled                    |
| Cross currency swap(*)    |                  | 4,568             | Fulfilled                    |
| Interest rate swap        |                  | 5,604             | Fulfilled                    |

(\*) The unrealized gains amounting to W15,780 that related to the hedge of foreign exchange rate risk are recognized as gains and losses in the non-consolidated statement of income in the current period.

(d) Realized gains and losses related to derivative instruments for the six-month period ended June 30, 2008 are as follows:

*In millions of Won*

| Hedge purpose   | Type                | Transaction gains | Transaction losses |
|-----------------|---------------------|-------------------|--------------------|
| Cash flow hedge | Cross currency swap | (Won) 145         | 419                |
| Cash flow hedge | Interest rate swap  |                   | 561                |

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

|                  |                           |       |        |
|------------------|---------------------------|-------|--------|
| Cash flow hedge  | Foreign currency forwards | 3,606 | 60,943 |
| Fair value hedge | Foreign currency forwards | 5,493 | 69,709 |
| Fair value hedge | Range forward options     | 2,441 | 40,613 |

The transaction gains and losses are charged to operations for the six-month period ended June 30, 2008.



**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)**13 Income Taxes

- (a) Income tax expense for the six-month period ended June 30, 2008 is as follows:

| <i>In millions of Won</i>  | <b>2008</b>   |
|--|---------------|
| <b>Current income taxes</b>  | (Won) 304,999 |
| Change in deferred income taxes from temporary differences               | (24,412)      |
| Change in deferred income taxes from tax credit                          | 128,725       |
| Change in deferred income taxes charged directly to stockholders' equity | (32,218)      |
| <b>Income tax expense</b>  | (Won) 377,094 |

- (b) Changes in accumulated temporary differences for the six-month period ended June 30, 2008 are as follows:

| <i>In millions of Won</i>     | <b>January 1, 2008</b> | <b>Increase (decrease)</b> | <b>June 30, 2008</b> |
|-------------------------------|------------------------|----------------------------|----------------------|
| Inventories                   | (Won) 22,860           | 38,404                     | 61,264               |
| Equity method investments     | (50,579)               | (17,584)                   | (68,163)             |
| Derivatives                   | 15,561                 | 9,389                      | 24,950               |
| Property, plant and equipment | 176,626                | 10,207                     | 186,833              |
| Warranty reserve              | 49,295                 | 15,831                     | 65,126               |
| Others                        | (4,724)                | 24,697                     | 19,973               |
|                               | (Won) 209,039          | 80,944                     | 289,983              |

- (c) Changes in deferred income tax assets (liabilities) for the six-month period ended June 30, 2008 are as follows:

| <i>In millions of Won</i>     | <b>January 1, 2008</b> | <b>Increase (decrease)</b> | <b>June 30, 2008</b> | <b>Current</b> | <b>Non-Current</b> |
|-------------------------------|------------------------|----------------------------|----------------------|----------------|--------------------|
| Inventories                   | (Won) 5,726            | 11,122                     | 16,848               | 16,848         |                    |
| Equity method investments     | (13,960)               | 26,459                     | 12,499               |                | 12,499             |
| Derivatives                   | 3,898                  | 2,964                      | 6,862                | 3,221          | 3,641              |
| Property, plant and equipment | 47,713                 | 3,666                      | 51,379               |                | 51,379             |
| Warranty reserve              | 12,348                 | 5,562                      | 17,910               | 15,253         | 2,657              |
| Others                        | (1,366)                | 6,857                      | 5,491                | 2,312          | 3,179              |
| <b>Total</b>                  | <b>54,359</b>          | <b>56,630</b>              | <b>110,989</b>       | <b>37,634</b>  | <b>73,355</b>      |

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

|   |               |           |          |         |          |
|---|---------------|-----------|----------|---------|----------|
| Deferred income taxes added to stockholders' equity | 6,303         | (32,218)  | (25,915) | 21,520  | (47,435) |
| Tax credit carryforwards                            | 403,670       | (128,725) | 274,945  | 274,945 |          |
|   | (Won) 464,332 | (104,313) | 360,019  | 334,099 | 25,920   |

- (d) The Company's statutory tax rate for the six-month periods ended June 30, 2008 and 2007 is 27.5%. Under the Foreign Investment Promotion Act of Korea, from September 1999, the Company is entitled to an exemption from income taxes in proportion to the percentage of foreign equity for seven years following the registration of each foreign equity investment, and at one-half of that percentage for the subsequent three years.

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****14 Comprehensive Income**

Comprehensive income for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>   | <b>2008</b>     | <b>2007</b> |
|---|-----------------|-------------|
| <b>Net income</b>   | (Won) 1,492,108 | 59,888      |
| Change in equity arising from application of equity method, net of tax effect of (Won)(36,910) million in 2008 and (Won)1,526 million in 2007 | 76,064          | 9,181       |
| Change in fair value of available-for-sale securities, net of tax effect of (Won)(4,988) million in 2008 and nil in 2007                      | 13,149          |             |
| Gain on valuation of cash flow hedges, net of tax effect of (Won)297 million in 2008 and (Won)4,587 million in 2007                           | (784)           | (12,094)    |
| Loss on valuation of cash flow hedges, net of tax effect of (Won)9,383 million in 2008 and (Won)(1,278) million in 2007                       | (24,736)        | 3,370       |
| <b>Comprehensive income</b>   | (Won) 1,555,801 | 60,345      |

**15 Cost of Sales**

Cost of sales for the six-month periods ended June 30, 2008 and 2007 is as follows:

| <i>In millions of Won</i>        | <b>2008</b>     | <b>2007</b> |
|----------------------------------|-----------------|-------------|
| Finished goods                   | (Won) 5,998,747 | 5,703,195   |
| Beginning balance of inventories | 310,975         | 256,002     |
| Cost of goods manufactured       | 6,276,278       | 5,814,469   |
| Ending balance of inventories    | (588,506)       | (367,276)   |
| Merchandise                      | 122,508         |             |
| Others                           | 11,916          | 10,360      |
|                                  | (Won) 6,133,171 | 5,713,555   |

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****16 Selling and Administrative Expenses**

Selling and administrative expenses for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i> | <b>2008</b>   | <b>2007</b> |
|---------------------------|---------------|-------------|
| Salaries                  | (Won) 53,910  | 33,602      |
| Severance benefits        | 5,921         | 5,083       |
| Other employee benefits   | 7,474         | 3,849       |
| Shipping cost             | 61,959        | 70,818      |
| Rent                      | 2,162         | 1,851       |
| Fees and commissions      | 30,141        | 26,591      |
| Entertainment             | 1,198         | 739         |
| Depreciation              | 3,775         | 2,295       |
| Taxes and dues            | 1,910         | 883         |
| Advertising               | 21,305        | 12,814      |
| Sales promotion           | 4,415         | 9,135       |
| Development costs         | 4,231         | 1,439       |
| Research                  | 64,185        | 49,588      |
| Bad debt expenses         | 628           | 47          |
| A/S                       | 52,226        | 28,945      |
| Others                    | 23,044        | 10,965      |
|                           | (Won) 338,484 | 258,644     |

**17 Earnings Per Share**

(a) Basic earnings per share for the three-month and six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won, except earnings per share and share information</i> | <b>For the three-month periods ended June, 30</b> |             | <b>For the six-month periods ended June, 30</b> |             |
|--|---|-------------|---|-------------|
|  | <b>2008</b>                                       | <b>2007</b> | <b>2008</b>                                     | <b>2007</b> |
| <b>Net income</b>  | (Won) 731,522                                     | 228,486     | 1,492,108                                       | 59,888      |
| Weighted-average number of common shares outstanding                       | 357,815,700                                       | 357,815,700 | 357,815,700                                     | 357,815,700 |
| <b>Earnings per share</b>  | (Won) 2,044                                       | 639         | 4,170   | 167         |

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



**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

Notes to Interim Non-Consolidated Financial Statements

June 30, 2008

(Unaudited)

17 Earnings Per Share, Continued

(b) Diluted earnings per share for the three-month and six-month periods ended June 30, 2008 are as follows:

| <i>In millions of Won, except earnings per share and share information</i>           | <b>For the three-month periods ended June, 30</b> |             | <b>For the six-month periods ended June, 30</b> |             |
|--|---|-------------|---|-------------|
|  | <b>2008</b>                                       | <b>2007</b> | <b>2008</b>                                     | <b>2007</b> |
| <b>Net income</b>  | (Won) 731,522                                     | 228,486     | 1,492,108                                       | 59,888      |
| Interest on convertible bond, net of tax   | 4,711   | 7,901       | 9,389   |             |
| <b>Adjusted income</b>   | 736,233   | 236,387     | 1,501,497                                       | 59,888      |
| Weighted-average number of common shares outstanding and common equivalent shares(*) | 368,346,462                                       | 374,601,758 | 368,346,462                                     | 357,815,700 |
| <b>Diluted earnings per share</b>  | (Won) 1,999                                       | 631         | 4,076   | 167         |

For the six-month period ended June 30, 2007, diluted earnings per share is identical to basic earnings per share due to the anti-dilution effect of convertible bond.

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

| <i>In shares</i>   | <b>For the three-month periods ended June, 30</b> |             | <b>For the six-month periods ended June, 30</b> |             |
|--|---|-------------|---|-------------|
|  | <b>2008</b>                                       | <b>2007</b> | <b>2008</b>                                     | <b>2007</b> |
| <b>Weighted-average number of common shares (basic)</b>                    | 357,815,700                                       | 357,815,700 | 357,815,700                                     | 357,815,700 |
| Effect of conversion of convertible bonds                                  | 10,530,762  | 16,786,058  | 10,530,762                                      |             |
| <b>Weighted-average number of common shares (diluted) at June 30, 2008</b> | 368,346,462                                       | 374,601,758 | 368,346,462                                     | 357,815,700 |

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)**

**Notes to Interim Non-Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

17 Earnings Per Share, Continued

(c) The conversion effect of the convertible bond for the six-month period ended June 30, 2008 is as follows:

| <i>In shares</i>                          | <b>For the three-month<br/>periods ended June, 30</b> |                                   | <b>For the six-month<br/>periods ended June, 30</b> |                |
|---|---|-----------------------------------|---|----------------|
|   | <b>2008</b>   | <b>2007</b>                       | <b>2008</b>   | <b>2007(*)</b> |
| Number of convertible bonds               |   |                                   |   |                |
| 1 <sup>st</sup>                           |   | 8,276,681                         |   |                |
| 2 <sup>nd</sup>                           | 10,530,762  | 10,464,234                        | 10,530,762  |                |
| Period                                    |   |                                   |   |                |
| 1 <sup>st</sup>                           |   | April 1, 2007 ~<br>June 30, 2007  |   |                |
| 2 <sup>nd</sup>                           | April 1, 2008 ~<br>June 30, 2008                      | April 18, 2007 ~<br>June 30, 2007 | January 1, 2008 ~<br>June 30, 2008                  |                |
| Weighted                                  |   |                                   |   |                |
| 1 <sup>st</sup>                           |   | 91 days / 91 days                 |   |                |
| 2 <sup>nd</sup>                           | 91 days / 91 days                                     | 74 days / 91 days                 | 182 days / 182 days                                 |                |
| Effect of conversion of convertible bonds |   |                                   |   |                |
| 1 <sup>st</sup>                           |   | 8,276,681                         |   |                |
| 2 <sup>nd</sup>                           | 10,530,762  | 8,509,377                         | 10,530,762  |                |
|   | 10,530,762  | 16,786,058                        | 10,530,762  |                |

(\*) For the six-month period ended June 30, 2007, there is no diluted shares due to the anti-dilution effect.

(d) Earnings per share and diluted earnings per share for the three-month period ended March 31, 2008 and for the year ended December 31, 2007 are as follows:

| <i>In won</i>              | <b>For the three-month<br/>period ended<br/>March 31, 2008</b> | <b>For the year<br/>ended<br/>December 31, 2007</b> |
|----------------------------|--|---|
| Earnings per share         | 2,126  | 3,756   |
| Diluted earnings per share | 2,078  | 3,716   |





**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****18 Transactions and Balances with Related Companies**

(a) Details of the Company's related parties as of June 30, 2008 are as follows:

|   |   |
|---|---|
| <b>Parent</b>   | <b>Control relationship</b>                             |
| LG Corp.  | Company that has significant influence over the Company |
| LG Electronics Inc. (*1)                              | Controlling party                                       |
| <b>Controlled subsidiary</b>                          | <b>Ownership (%)</b>                                    |
| LG Display America, Inc.,                             | 100%  |
| LG Display Taiwan Co., Ltd.                           | 100%  |
| LG Display Japan Co., Ltd.                            | 100%  |
| LG Display Germany GmbH, LG.                          | 100%  |
| LG Display Nanjing Co., Ltd.                          | 100%  |
| LG Display Shanghai Co., Ltd.                         | 100%  |
| LG Display Hong Kong Co., Ltd.                        | 100%  |
| LG Display Poland Sp. zo.o.                           | 80%   |
| LG Display Guangzhou Co., Ltd.                        | 84%   |
| LG Display Shenzhen Co., Ltd.                         | 100%  |
| Global Professional Sourcing Co., Ltd.                | 70%(*2)   |
| <b>Other related parties</b>                          | <b>Relationship</b>                                     |
| Paju Electric Glass Co., Ltd.                         | Equity-method investee                                  |
| TLI Inc.  |   |
| AVACO Co., Ltd.                                       |   |
| Dacom Multimedia Internet Corporation,                | Affiliates  |
| Dacom Crossing Corporation, Siltron Incorporated,     |   |
| LG Management Development Institute Co., Ltd.,        |   |
| LG Sports Ltd., LG CNS Co., Ltd., Serveone Co., Ltd., |   |
| Hiplaza Co., Ltd., LG Dow Polycarbonate,              |   |
| LG N-Sys Inc., LG MMA Corporation,                    |   |
| LG Innotek Co., Ltd., LG Powercom Corp.,              |   |
| Seatek Co., Ltd., V-ENS Co., Ltd.,                    |   |

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

Hi Business Logistics, Lusem Co., Ltd., CSLeader,

AIN Tele Service, Biztech&Ektimo Co. Ltd.,

LG Solar Energy Inc., Coca-Cola Beverage Co.,

LG CHEM Ltd., LG Dacom Corporation,

LG International Corp.,

LG Household & Health Care Ltd.,

LG Life Sciences, Ltd., LG Telecom Co., Ltd.

LG Micron Ltd., TWIN WINE,

Korea Commercial Vehicle Co., Ltd.

Ucess Partners Co., Ltd,

System Air-con Engineering Incorporation and others

(\*1) LG Electronics Inc. files consolidated financial statements.

(\*2) The Company's subsidiary, LG Display Taiwan Co., Ltd., owns interest in Global Professional Sourcing Co., Ltd.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)****Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)**18 Transactions and Balances with Related Companies. Continued

Koninklijke Philips Electronics N.V., which had significant influence over the Company in 2007, sold its share interest in the Company resulting in decreased share interest to 13.2% (47,225 thousand shares) and resigned from the Company's management. Accordingly, Koninklijke Philips Electronics N.V. was excluded from the companies that have significant influence over the Company as of June 30, 2008.

- (b) Significant transactions which occurred in the normal course of business with related companies for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>                                  | Sales and other |           | Purchases and other |           |
|--|-----------------|-----------|---------------------|-----------|
|  | 2008            | 2007      | 2008                | 2007      |
| Controlling party  | (Won) 633,771   | 427,742   | (Won) 107,247       | 54,854    |
| Companies that have significant influence over the Company |                 |           | 11,836              | 7,482     |
| Overseas subsidiaries                                      | 6,720,360       | 4,857,886 | 255,333             | 170,712   |
| Equity-method investee                                     |                 |           | 228,815             | 115,563   |
| Other related parties                                      | 167,299         | 77,446    | 1,379,051           | 883,480   |
|  | (Won) 7,521,430 | 5,363,074 | (Won) 1,982,282     | 1,232,091 |

- (c) Account balances with related companies as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>                                  | Trade accounts and notes receivable and other |           | Trade accounts and notes payable and other |         |
|--|---|-----------|--|---------|
|  | 2008  | 2007      | 2008                                       | 2007    |
| Controlling party  | (Won) 236,094                                 | 124,560   | (Won) 89,610                               | 25,851  |
| Companies that have significant influence over the Company | 6,057   | 2,717     | 1,067                                      | 8,629   |
| Overseas subsidiaries                                      | 1,536,134                                     | 1,921,164 | 92,578                                     | 67,342  |
| Equity-method investee                                     |   |           | 41,985                                     | 30,291  |
| Other related parties                                      | 88,876  | 52,097    | 498,797                                    | 344,757 |
|  | (Won) 1,867,161                               | 2,100,538 | (Won) 724,037                              | 476,870 |

- (d) Key management compensation costs for the six-month periods ended June 30, 2008 and 2007, are as follows:

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

| <i>In millions of Won</i> | <b>2008</b> | <b>2007</b> |
|---------------------------|-------------|-------------|
| Salaries                  | (Won) 875   | 838         |
| Severance benefits        | 191         | 531         |
| Incentive compensation    | 827         |             |
|                           | (Won) 1,893 | 1,369       |

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

**Table of Contents**

LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.)

**Notes to Interim Non-Consolidated Financial Statements****June 30, 2008****(Unaudited)****19 Segment Information**

The Company manufactures and sells TFT-LCD and AM-OLED products. Export sales represent approximately 93% of total sales for the six-month period ended June 30, 2008.

The following is a summary of sales by country based on the location of the customers for the six-month periods ended June 30, 2008 and 2007:

*In millions of Won*

|      | <b>Domestic</b> | <b>Taiwan</b> | <b>Japan</b> | <b>America</b> | <b>China</b> | <b>Europe</b> | <b>Others<br/>in Asia</b> | <b>Others</b> | <b>Total</b> |
|------|-----------------|---------------|--------------|----------------|--------------|---------------|---------------------------|---------------|--------------|
| 2008 | 575,188         | 2,039,500     | 761,104      | 1,082,255      | 1,604,288    | 1,253,649     | 819,433                   | 115,737       | 8,251,154    |
| 2007 | 452,398         | 1,655,327     | 567,920      | 655,884        | 1,114,768    | 906,056       | 415,862                   | 105,371       | 5,873,586    |

**20 Supplemental Cash Flow Information**

Significant transactions not affecting cash flows for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>in millions of Won</i>   | <b>2008</b>   | <b>2007</b> |
|---|---------------|-------------|
| Other accounts payable arising from purchase of property, plant and equipment | (Won) 405,371 | (390,803)   |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Balance Sheets****(Unaudited)****As at June 30, 2008 and December 31, 2007**

| <i>In millions of Won, except share data</i> | Note | 2008                    | 2007              |
|--|------|-------------------------|-------------------|
| <b>Assets</b>                                |      |                         |                   |
| Cash and cash equivalents                    |      | (Won) 890,034           | 1,196,423         |
| Short-term financial instruments             |      | 2,945,000               | 785,000           |
| Available-for-sale securities                | 4    | 74                      | 63                |
| Trade accounts and notes receivable, net     | 5,19 | 2,820,102               | 2,339,690         |
| Other accounts receivable, net               | 5    | 52,817                  | 97,098            |
| Accrued income, net                          | 5    | 58,526                  | 13,949            |
| Advance payments, net                        | 5    | 1,511                   | 2,783             |
| Prepaid expenses                             |      | 63,013                  | 35,613            |
| Prepaid value added tax                      |      | 168,030                 | 105,924           |
| Deferred income tax assets, net              | 14   | 339,115                 | 332,926           |
| Inventories, net                             | 6    | 1,386,935               | 823,924           |
| Other current assets                         |      | 5,191                   | 12,740            |
| <b>Total current assets</b>                  |      | <b>8,730,348</b>        | <b>5,746,133</b>  |
| Long-term financial instruments              |      | 13                      | 13                |
| Available-for-sale securities                | 4    | 114,386                 | 1                 |
| Equity-method investments                    |      | 43,421                  | 24,704            |
| Property, plant, and equipment, net          | 7    | 7,463,924               | 7,528,523         |
| Intangible assets, net                       |      | 181,860                 | 123,111           |
| Long-term other receivables, net             | 5    | 25,449                  | 20,141            |
| Long-term prepaid expenses                   |      | 162,561                 | 155,656           |
| Deferred income tax assets, net              | 14   | 57,091                  | 151,058           |
| Non-current guarantee deposits               |      | 40,815                  | 30,495            |
| Other non-current assets                     |      | 13,239                  |                   |
| <b>Total non-current assets</b>              |      | <b>8,102,759</b>        | <b>8,033,702</b>  |
| <b>Total assets</b>                          |      | <b>(Won) 16,833,107</b> | <b>13,779,835</b> |

*See accompanying notes to interim consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Balance Sheets (continued)****(Unaudited)****As at June 30, 2008 and December 31, 2007**

| <i>In millions of Won, except share data</i>   | Note | 2008                    | 2007              |
|--|------|-------------------------|-------------------|
| <b>Liabilities</b>   |      |                         |                   |
| Trade accounts payable and notes payable   | 19   | (Won) 1,108,533         | 994,701           |
| Other accounts payable   |      | 1,032,467               | 614,904           |
| Short-term borrowings  | 10   | 850,752                 | 4,660             |
| Advances received  |      | 13,291                  | 82,101            |
| Unearned income  |      |                         | 15,248            |
| Withholdings   |      | 8,894                   | 7,160             |
| Accrued expenses   |      | 189,363                 | 99,288            |
| Income tax payable   |      | 303,071                 | 78,133            |
| Warranty reserve   |      | 51,357                  | 49,295            |
| Current portion of long-term debt and debentures, net of discount  | 9,10 | 605,288                 | 409,082           |
| Other current liabilities  |      | 98,439                  | 46,650            |
| <b>Total current liabilities</b>   |      | <b>4,261,455</b>        | <b>2,401,222</b>  |
| Debentures, net of current portion and discounts on debentures   | 9    | 1,734,242               | 1,998,147         |
| Long-term debt, net of current portion   | 10   | 1,085,463               | 993,785           |
| Long-term other accounts payable   | 2    | 52,350                  | 31,046            |
| Long-term accrued expenses   |      | 17,481                  | 12,680            |
| Accrued severance benefits, net  |      | 89,500                  | 53,496            |
| Other non-current liabilities  |      | 32,575                  |                   |
| <b>Total non-current liabilities</b>   |      | <b>3,011,611</b>        | <b>3,089,154</b>  |
| <b>Total liabilities</b>   |      | <b>7,273,066</b>        | <b>5,490,376</b>  |
| <b>Stockholders equity</b>   |      |                         |                   |
| <b>Controlling interest</b>  |      |                         |                   |
| Common stock, (Won)5,000 par value. Authorized 500,000,000 shares: issued and outstanding<br>357,815,700 shares in 2008 and 2007 |      | 1,789,079               | 1,789,079         |
| Capital surplus  |      | 2,311,071               | 2,311,071         |
| Accumulated other comprehensive income   |      | 68,648                  | 5,823             |
| Retained earnings  |      | 5,391,156               | 4,183,400         |
| <b>Total controlling interest</b>  |      | <b>9,559,954</b>        | <b>8,289,373</b>  |
| <b>Minority interest</b>   |      | <b>87</b>               | <b>86</b>         |
| <b>Total stockholders equity</b>   |      | <b>9,560,041</b>        | <b>8,289,459</b>  |
| <b>Commitments and contingencies</b>   | 12   |                         |                   |
| <b>Total liabilities and stockholders equity</b>   |      | <b>(Won) 16,833,107</b> | <b>13,779,835</b> |

See accompanying notes to interim consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Statements of Income****(Unaudited)****For the six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won, except earnings per share</i>    | <b>Note</b> | <b>2008</b>     | <b>2007</b> |
|---|-------------|-----------------|-------------|
| <b>Sales</b>  | 19,20       | (Won) 8,246,957 | 6,077,037   |
| <b>Cost of sales</b>                                    | 16,19       | 6,055,941       | 5,813,965   |
| <b>Gross profit</b>                                     |             | 2,191,016       | 263,072     |
| Selling and administrative expenses                     | 17, 19      | 420,762         | 320,940     |
| <b>Operating income (loss)</b>                          | 20          | 1,770,254       | (57,868)    |
| Interest income   |             | 91,940          | 20,854      |
| Rental income   |             | 1,684           | 2,050       |
| Commission earned                                       | 19          | 4,261           | 10,613      |
| Foreign exchange gains                                  |             | 872,976         | 85,631      |
| Gain on foreign currency translation                    |             | 100,877         | 23,690      |
| Equity income on investments                            |             | 4,229           | 2,176       |
| Gain on disposal of property, plant and equipment       |             | 589             | 770         |
| Reversal of allowance for doubtful accounts             | 5           | 106             |             |
| Gain on redemption of debentures                        | 9           | 188             |             |
| Other income  | 19          | 8,251           | 5,377       |
| <b>Non-operating income</b>                             |             | 1,085,101       | 151,161     |
| Interest expense  |             | 74,996          | 102,034     |
| Foreign exchange losses                                 |             | 770,505         | 75,347      |
| Loss on foreign currency translation                    |             | 162,008         | 18,107      |
| Donations   |             | 1,971           | 120         |
| Loss on disposal of trade accounts and notes receivable |             |                 | 15,151      |
| Loss on disposal of property, plant and equipment       |             | 675             | 2,876       |
| Impairment loss on property, plant, and equipment       |             | 83              |             |
| Other bad debt expenses                                 |             |                 | 1,258       |
| Loss on redemption of debentures                        | 9           | 13              |             |
| Other expenses  |             | 180             | 147         |
| <b>Non-operating expenses</b>                           |             | 1,010,431       | 215,040     |
| <b>Income (loss) before income taxes</b>                |             | 1,844,924       | (121,747)   |
| Income tax expense (benefit)                            | 14          | 368,805         | (181,635)   |
| <b>Net income</b>                                       |             | (Won) 1,476,119 | 59,888      |
| of Which :  |             |                 |             |
| Net income of the Controlling Company                   |             | (Won) 1,476,118 | 59,888      |
| Net income of minority interest                         |             | (Won) 1         |             |



|                            |       |       |     |
|----------------------------|-------|-------|-----|
| <b>Earnings per share</b>  | 18    |       |     |
| Basic earnings per share   | (Won) | 4,125 | 167 |
| Diluted earnings per share | (Won) | 4,033 | 167 |

*See accompanying notes to interim consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Statements of Changes in Stockholders' Equity****(Unaudited)****For the six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won</i>                             | Note  | Capital<br>Stock | Capital<br>Surplus | Accumulated<br>other<br>comprehensive<br>income (loss) | Retained<br>earnings | Minority<br>interest | Total     |
|---|-------|------------------|--------------------|--|----------------------|----------------------|-----------|
| <b>Balances at January 1, 2007</b>                    |       | (Won) 1,789,079  | 2,275,172          | (13,948)   | 2,839,373            |                      | 6,889,676 |
| Net income  |       |                  |                    |  | 59,888               |                      | 59,888    |
| Change in cumulative translation adjustments          | 15    |                  |                    | 9,181  |                      |                      | 9,181     |
| Gain on valuation of cash flow hedges                 | 13,15 |                  |                    | (12,094)   |                      |                      | (12,094)  |
| Loss on valuation of cash flow hedges                 | 13,15 |                  |                    | 3,370  |                      |                      | 3,370     |
| Change in consideration for conversion rights         | 13,15 |                  | 35,899             |  |                      |                      | 35,899    |
| <b>Balances at June 30, 2007</b>                      |       | 1,789,079        | 2,311,071          | (13,491)   | 2,899,261            |                      | 6,985,920 |
| <b>Balances at January 1, 2008</b>                    |       | 1,789,079        | 2,311,071          | 5,823  | 4,183,400            | 86                   | 8,289,459 |
| Cash dividend   |       |                  |                    |  | (268,362)            |                      | (268,362) |
| Net income  |       |                  |                    |  | 1,476,118            | 1                    | 1,476,119 |
| Change in cumulative translation adjustments          | 15    |                  |                    | 75,196   |                      |                      | 75,196    |
| Change in fair value of available-for-sale securities | 4,15  |                  |                    | 13,149   |                      |                      | 13,149    |
| Gain on valuation of cash flow hedges                 | 13,15 |                  |                    | (784)  |                      |                      | (784)     |
| Loss on valuation of cash flow hedges                 | 13,15 |                  |                    | (24,736)   |                      |                      | (24,736)  |
| <b>Balances at June 30, 2008</b>                      |       | (Won) 1,789,079  | 2,311,071          | 68,648   | 5,391,156            | 87                   | 9,560,041 |

*See accompanying notes to interim consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Statements of Cash Flows****(Unaudited)****For the six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won</i>   | Note | 2008            | 2007      |
|---|------|-----------------|-----------|
| <b>Cash flows provided by operating activities:</b>                   |      |                 |           |
| Net income  |      | (Won) 1,476,119 | 59,888    |
| <b>Adjustments for:</b>   |      |                 |           |
| Depreciation  |      | 1,354,215       | 1,382,286 |
| Amortization of intangible assets                                     |      | 28,591          | 23,135    |
| Loss on disposal of property, plant and equipment, net                |      | 86              | 2,106     |
| Impairment loss on property, plant, and equipment                     |      | 83              |           |
| Loss on foreign currency translation, net                             |      | 54,449          | (7,135)   |
| Amortization of discount on debentures, net                           |      | 15,387          | 21,983    |
| Gain on redemption of debentures, net                                 |      | (175)           |           |
| Provision for warranty reserve  |      | 41,761          | 31,084    |
| Provision for severance benefits                                      |      | 44,684          | 39,444    |
| Equity income on investments  |      | (4,229)         | (2,176)   |
| Reversal of compensation expenses associated with stock option        |      | (560)           |           |
|   |      | 1,534,292       | 1,490,727 |
| <b>Changes in operating assets and liabilities:</b>                   |      |                 |           |
| Decrease (increase) in trade accounts receivable and notes receivable |      | (447,509)       | (619,271) |
| Decrease (increase) in inventories                                    |      | (563,011)       | 90,794    |
| Decrease (increase) in other accounts receivable                      |      | 49,638          | 19,648    |
| Decrease (increase) in accrued income                                 |      | (44,577)        | (2,895)   |
| Decrease (increase) in advance payments                               |      | 1,272           | (2,880)   |
| Decrease (increase) in prepaid expenses                               |      | (13,075)        | (28,941)  |
| Decrease (increase) in prepaid value added tax                        |      | (54,831)        | 6,546     |
| Decrease (increase) in current deferred income tax assets             |      | 3,491           | (268,246) |
| Decrease (increase) in other current assets                           |      | 9,867           | 9,527     |
| Decrease (increase) in long-term prepaid expenses                     |      | (21,230)        | (45,832)  |
| Decrease (increase) in non-current deferred income tax                |      | 52,068          | 80,033    |
| Decrease (increase) in long-term other receivables                    |      | (5,308)         |           |
| Increase (decrease) in trade accounts and notes payable               |      | 112,274         | 32,090    |
| Increase (decrease) in other accounts payable                         |      | 10,946          | (87,032)  |
| Increase (decrease) in advances received                              |      | (68,810)        | 26,839    |
| Increase (decrease) in unearned income                                |      | (15,248)        |           |
| Increase (decrease) in withholdings                                   |      | 1,734           | (13,699)  |
| Increase (decrease) in accrued expenses                               |      | 90,075          | 15,456    |
| Increase (decrease) in income tax payable                             |      | 224,938         | (988)     |
| Increase (decrease) in warranty reserve                               |      | (30,035)        | (25,373)  |
| Increase (decrease) in other current liabilities                      |      | (992)           | (4,204)   |
| Increase (decrease) in non-current deferred income tax liabilities    |      |                 | (8)       |
| Increase (decrease) in long-term accrued expenses                     |      | 885             | 706       |
| Accrued severance benefits transferred from affiliated company, net   |      | 2,201           | 2,020     |
| Payment of severance benefits   |      | (14,606)        | (38,272)  |
| Decrease (increase) in severance insurance deposits                   |      | 3,455           | 8,573     |
| Decrease (increase) in contribution to the National Pension Fund      |      | 269             | 172       |
| Decrease (increase) in cumulative translation adjustments, net        |      | 18,169          | 9,677     |

|  |           |           |
|--|-----------|-----------|
|  | (697,950) | (835,560) |
| <b>Net cash provided by operating activities</b> | 2,312,461 | 715,055   |

*See accompanying notes to interim consolidated financial statements.*

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Interim Consolidated Statements of Cash Flows (continued)****(Unaudited)****For the six-month periods ended June 30, 2008 and 2007**

| <i>In millions of Won</i>                                      | Note  | 2008               | 2007               |
|--|-------|--------------------|--------------------|
| <b>Cash flows from investing activities:</b>                   |       |                    |                    |
| Proceeds from disposal of property, plant and equipment        | (Won) | 1,879              | 847                |
| Proceeds from disposal of short-term financial instruments     |       | 685,000            |                    |
| Acquisition of short-term financial instruments                |       | (2,845,000)        |                    |
| Acquisition of available-for-sale securities                   |       | (96,260)           |                    |
| Acquisition of equity-method investments                       |       | (20,247)           |                    |
| Decrease (increase) in guarantee deposits                      |       | (10,320)           | 149                |
| Disposal of available-for-sale securities                      |       | 1                  |                    |
| Increase in short-term loans                                   |       | (15)               | (2)                |
| Acquisition of property, plant and equipment                   |       | (764,533)          | (993,919)          |
| Acquisition of intangible assets                               |       | (52,986)           | (12,091)           |
| Receipt of government subsidy                                  |       | 354                |                    |
| Proceeds from dividend received from equity-method investments |       | 5,760              | 1,440              |
| <b>Net cash used in investing activities</b>                   |       | <b>(3,096,367)</b> | <b>(1,003,576)</b> |
| <b>Cash flows from financing activities:</b>                   |       |                    |                    |
| Proceeds from short-term borrowings                            |       | 846,092            |                    |
| Proceeds from debentures                                       |       |                    | 508,997            |
| Proceeds from long-term debt                                   |       | 23,637             | 335,089            |
| Increase in long-term other accounts payable                   |       | 14,608             |                    |
| Repayment of short-term debt                                   |       |                    | (236,576)          |
| Repayment of current portion of long-term debt                 |       | (88,932)           | (35,708)           |
| Redemption of debentures                                       |       | (49,526)           |                    |
| Payment of cash dividend                                       |       | (268,362)          |                    |
| <b>Net cash provided by financing activities</b>               |       | <b>477,517</b>     | <b>571,802</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b>    |       | <b>(306,389)</b>   | <b>283,281</b>     |
| Cash and cash equivalents at beginning of period               |       | 1,196,423          | 954,362            |
| <b>Cash and cash equivalents at end of period</b>              | (Won) | <b>890,034</b>     | <b>1,237,643</b>   |

*See accompanying notes to interim consolidated financial statements.*

---

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

**Notes to Interim Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

**1 Organization and Description of Business**

The accompanying interim consolidated financial statements include the accounts of LG Display Co., Ltd. and its consolidated subsidiaries (collectively the Company). The general information of LG Display Co., Ltd. (the Controlling Company) and its consolidated subsidiaries is described below.

**(a) Description of the Controlling Company**

LG Display Co., Ltd. (formerly, LG.Philips LCD Co., Ltd.) was incorporated in 1985 under its original name of LG Soft, Ltd. as a wholly owned subsidiary of LG Electronics Inc. In 1998, LG Electronics Inc. and LG Semicon transferred their respective Thin Film Transistor Liquid Crystal Display (TFT-LCD) related business to the Controlling Company and its main business is to manufacture and sell TFT-LCD panels. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. (Philips) entered into a joint venture agreement. Pursuant to the agreement, the Controlling Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Controlling Company changed its name from LG.Philips LCD Co., Ltd. to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders meeting on the same date as a result of the decrease in Philips' share interest in the Controlling Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. As of June 30, 2008, the majority of shares in the Controlling Company are owned by LG Electronics Inc. and Philips, 37.9% (135,625 thousand shares) and 13.2% (47,225 thousand shares), respectively.

As of June 30, 2008, the Controlling Company's LCD Research & Development Center is located in Anyang, TFT-LCD manufacturing plants are located in Gumi and Paju and OLED manufacturing plant is located in Gumi. The Controlling Company's overseas subsidiaries are located in the United States of America, Europe and Asia.

**(b) Consolidated Subsidiaries**

**(i) LG Display America, Inc. ( LGDUS , formerly, LG.Philips LCD America, Inc.)**

LGDUS was incorporated in California, U.S.A., on September 24, 1999, to sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to USD5 million and is wholly owned by the Controlling Company.

**(ii) LG Display Japan Co., Ltd. ( LGDJP , formerly, LG.Philips LCD Japan Co., Ltd.)**

LGDJP was incorporated in Tokyo, Japan, on October 12, 1999, to sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to JPY95 million and is wholly owned by the Controlling Company.

**(iii) LG Display Germany GmbH ( LGDDG , formerly, LG.Philips LCD Germany GmbH)**

LGDDG was incorporated in Dusseldorf, Germany, on November 5, 1999, to sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to EUR1 million and is wholly owned by the Controlling Company.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

**Notes to Interim Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

1 Organization and Description of Business

(b) Consolidated Subsidiaries, Continued

(iv) LG Display Taiwan Co., Ltd. ( LGDTW , formerly, LG.Philips LCD Taiwan Co., Ltd.)

LGDTW was incorporated in Taipei, Taiwan, on April 12, 1999, to sell TFT-LCD products and its shares were acquired by the Controlling Company in May 2000 from LG Electronics Inc. As of June 30, 2008 and December 31, 2007, its capital stock amounted to NTD116 million and is wholly owned by the Controlling Company.

(v) LG Display Nanjing Co., Ltd. ( LGDNJ , formerly, LG.Philips LCD Nanjing Co., Ltd.)

LGDNJ was incorporated in Nanjing, China, on July 15, 2002, to manufacture and sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to CNY1,643 million and is wholly owned by the Controlling Company.

(vi) LG Display Hong Kong Co., Ltd. ( LGDHK , formerly, LG.Philips LCD Hong Kong Co., Ltd.)

LGDHK was incorporated in Hong Kong on January 24, 2003, to sell the TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to HKD12 million and is wholly owned by the Controlling Company. LGDHK's operations transferred to LG.Philips LCD Shenzhen in 2007 and LGDHK is expected to liquidate in 2008.

(vii) LG Display Shanghai Co., Ltd. ( LGDSH , formerly, LG.Philips LCD Shanghai Co., Ltd.)

LGDSH was incorporated in Shanghai, China, on January 16, 2003, to sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to CNY4 million and is wholly owned by the Controlling Company.

(viii) LG Display Poland Sp. z o.o. ( LGDWR , formerly, LG.Philips LCD Poland Sp. z o.o.)

LGDWR was incorporated in Poland on September 6, 2005, to manufacture and sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to PLN511 million, and is 80.29% owned by the Controlling Company.

(ix) LG Display Guangzhou Co., Ltd. ( LGDGZ , formerly, LG.Philips LCD Guangzhou Co., Ltd.)

LDGZ was incorporated in Guangzhou, China, on June 30, 2006, to manufacture and sell TFT-LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to CNY678 million and CNY582 million, and is 84.21% and wholly owned by the Controlling Company, respectively.

(x) LG Display Shenzhen Co., Ltd. ( LGDSZ , formerly, LG.Philips LCD Shenzhen Co., Ltd.)

LGDSZ was incorporated in Shenzhen, China on August 28, 2007, to sell TFT LCD products. As of June 30, 2008 and December 31, 2007, its capital stock amounted to CNY4 million, and is wholly owned by the Controlling Company.

(xi) Global Professional Sourcing Co., Ltd. ( GPS )

GPS was incorporated in Taipei, Taiwan on September 11, 2007, to survey and identify potential local partners in the LCD industry. As of June 30, 2008 and December 31, 2007, its capital stock amounted to NTD10 million, and is 70% owned by LG Display Taiwan Co., Ltd.



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****1 Organization and Description of Business. Continued****(c) Equity-method Investment****(i) Paju Electric Glass Co., Ltd. ( PEG )**

PEG was incorporated in Paju, Korea, in January 2005, to produce electric glass. As of June 30, 2008 and December 31, 2007, its capital stock amounted to (Won)36,000 million and 40% of PEG is owned by the Controlling Company.

**(ii) TLI Inc. ( TLI )**

TLI was incorporated in October 28, 1998, to manufacture and sell semiconductor parts for flat-panel display. In May 2008, the Controlling Company acquired 1,008,875 common shares of TLI Inc.(13%) at (Won)14,074 million through a stock purchase agreement for strategic alliance purposes.

**(iii) AVACO CO., Ltd.( AVACO )**

AVACO was incorporated in 2000, to manufacture and sell equipment for flat-panel display. In June 2008, the Controlling Company acquired 2,037,204 common shares of AVACO(19.9%) at (Won)6,173 million through a stock purchase agreement for strategic alliance purposes.

**2 Summary of Consolidated Subsidiaries**

Consolidated subsidiaries as of June 30, 2008, are as follows:

|  | <b>Total issued<br/>and<br/>outstanding<br/>shares</b> | <b>No of<br/>shares<br/>owned by<br/>the<br/>Company</b> | <b>Percentage<br/>of<br/>Ownership<br/>(%)</b> |
|--|--|--|--|
| <b>Overseas Subsidiaries</b>           |  |  |  |
| LG Display America, Inc.               | 5,000,000  | 5,000,000  | 100  |
| LG Display Japan Co., Ltd.             | 1,900  | 1,900  | 100  |
| LG Display Germany GmbH                | 960,000  | 960,000  | 100  |
| LG Display Taiwan Co., Ltd.            | 11,550,000   | 11,550,000   | 100  |
| LG Display Nanjing Co., Ltd.           | (*1)   | (*1)   | 100  |
| LG Display Hong Kong Co., Ltd.         | 115,000  | 115,000  | 100  |
| LG Display Shanghai Co., Ltd.          | (*1)   | (*1)   | 100  |
| LG Display Poland Sp. zo.o.(*2)        | 5,110,710  | 4,103,277  | 80   |
| LG Display Guangzhou Co., Ltd.(*3)     | (*1)   | (*1)   | 84   |
| LG Display Shenzhen Co., Ltd.          | (*1)   | (*1)   | 100  |
| Global Professional Sourcing Co., Ltd. | 1,000,000  | 700,000  | 70   |

(\*1) No shares have been issued in accordance with the local laws and regulations.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****2 Summary of Consolidated Subsidiaries, continued**

(\*2) Toshiba Corporation ( Toshiba ) acquired 20% of LG Display Poland Sp. zo.o. ( LGDWR ) in December 2007. With the acquisition of the 20% interest, Toshiba and the Company entered into a derivative contract that is indexed to LGDWR 's equity shares. According to the contract, LGD has a call option to buy Toshiba 's 20% interest in LGDWR and Toshiba has a put option to sell its 20% interest in LGDWR to LGD under the same terms; the price of the call is equal to the price of the put option which is the total amount of Toshiba 's investment at cost. The call and put option is exercisable after five years from the date of acquisition and on each anniversary thereafter with no stated expiry date in whole or in part. Toshiba 's investment in LGDWR is regarded as a financing due to the options and recorded as long-term other accounts payable. Accordingly, LGDWR is consolidated as a wholly owned subsidiary in the consolidated financial statements.

(\*3) Skyworth TV Holdings Limited ( Skyworth ) acquired 16% of equity interest in LG Display Guangzhou Co., Ltd.(LGDGZ) in June 2008. With the acquisition of the 16% interest, Skyworth and the Company entered into a derivative contract that is indexed to LGDGZ 's equity interest. According to the contract, LGD has a call option to buy Skyworth 's 16% interest in LGDGZ and Skyworth has a put option to sell its 16% interest in LGDGZ to LGD under the same terms; the price of the call is equal to the price of the put option which is the total amount of Skyworth 's investment at cost. The call and put option is exercisable after five years from the date of acquisition with no stated expiry date in whole or in part. Skyworth 's investment in LGDGZ is regarded as a financing due to the options and recorded as long-term other accounts payable. Accordingly, LGDGZ is consolidated as a wholly owned subsidiary in the consolidated financial statements.

A summary of the consolidated subsidiaries' financial data as of and for the six-month period ended June 30, 2008, prior to the elimination of intercompany transactions is as follows:

| <i>In millions of Won</i>      | <b>Total assets</b> | <b>Total liabilities</b> | <b>Total stockholders equity</b> | <b>Sales</b> | <b>Net Income (loss)</b> |
|--------------------------------|---------------------|--------------------------|----------------------------------|--------------|--------------------------|
| LG Display America, Inc.       | (Won) 451,652       | 439,656                  | 11,996                           | 1,045,530    | 514                      |
| LG Display Japan Co., Ltd.     | 263,302             | 258,336                  | 4,966                            | 761,338      | (1,784)                  |
| LG Display Germany GmbH        | 392,985             | 383,854                  | 9,131                            | 1,287,931    | 943                      |
| LG Display Taiwan Co., Ltd.    | 732,913             | 716,058                  | 16,855                           | 2,037,445    | (1,572)                  |
| LG Display Nanjing Co., Ltd.   | 470,966             | 160,170                  | 310,796                          | 149,711      | 26,802                   |
| LG Display Hong Kong Co., Ltd. | 3,434               | 168                      | 3,266                            |              | 55                       |
| LG Display Shanghai Co., Ltd.  | 432,766             | 432,379                  | 387                              | 993,661      | (2,704)                  |
| LG Display Poland Sp. zo.o.    | 405,521             | 199,128                  | 206,393                          | 71,181       | 5,966                    |
| LG Display Guangzhou Co., Ltd. | 172,370             | 93,818                   | 78,552                           | 30,060       | 4,340                    |
| LG Display Shenzhen Co., Ltd.  | 179,550             | 176,820                  | 2,730                            | 627,677      | 907                      |
|                                | (Won) 3,505,459     | 2,860,387                | 645,072                          | 7,004,534    | 33,467                   |

The financial data for LG Display Taiwan Co., Ltd. are based on its consolidated financial statements while the remaining subsidiaries are based on their non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****3 Summary of Significant Accounting Policies and Basis of Presenting Consolidated Financial Statements****(a) Significant Accounting Policies**

The significant accounting policies followed by the Company in the preparation of its interim consolidated financial statements are the same as those followed by the Company in its preparation of annual consolidated financial statements as of December 31, 2007 except for the application of the Statements of Korea Accounting Standard No. 2, Interim Financial Reporting.

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

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

**4 Available-For-Sale Securities**

Available-for-sale securities as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>       | Acquisition<br>cost | Beginning<br>balance | 2008<br>Unrealized gains(losses)<br>Changes<br>in |                                     | Net<br>balance<br>at end<br>of<br>period | Book<br>value<br>(fair value) |
|---------------------------------|---------------------|----------------------|---|-------------------------------------|--|-------------------------------|
|                                 |                     |                      | unrealized<br>gains and<br>losses, net            | Realized<br>gains on<br>disposition |  |                               |
| <b>Current asset</b>            |                     |                      |   |                                     |  |                               |
| <b>Debt securities</b>          |                     |                      |   |                                     |  |                               |
| Government bonds                | (Won) 74            |                      |   |                                     |  | 74                            |
| <b>Non-current asset</b>        |                     |                      |   |                                     |  |                               |
| <b>Equity securities</b>        |                     |                      |   |                                     |  |                               |
| HannStar Display Corporation(*) | (Won) 96,249        |                      | 18,137  |                                     | 18,137                                   | 114,386                       |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**4 Available-For-Sale Securities, Continued

(\*) The Controlling Company purchased 180 million shares of non-voting mandatorily redeemable convertible preferred stock. The preferred stocks are convertible into common stocks of HannStar Display Corporation at a ratio of 1:1 at the option of the Controlling Company from issue date (February 28, 2008) to maturity (February 28, 2011).

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

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

| <i>In millions of Won</i> | Acquisition<br>cost | Beginning<br>balance | 2007<br>Unrealized gains(losses)<br>Changes<br>in |                                     | Net<br>balance<br>at end<br>of<br>period | Book<br>value<br>(fair value) |
|---------------------------|---------------------|----------------------|---|-------------------------------------|--|-------------------------------|
|                           |                     |                      | unrealized<br>gains and<br>losses, net            | Realized<br>gains on<br>disposition |  |                               |
| <b>Current asset</b>      |                     |                      |   |                                     |  |                               |
| <b>Debt securities</b>    |                     |                      |   |                                     |  |                               |
| Government bonds          | (Won) 63            |                      |   |                                     |  | 63                            |
| <b>Non-current asset</b>  |                     |                      |   |                                     |  |                               |
| <b>Equity securities</b>  |                     |                      |   |                                     |  |                               |
| Others                    | (Won) 1             |                      |   |                                     |  | 1                             |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**5 Receivables

The Company's receivables, including trade accounts and notes receivable as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>           | <b>Gross amount</b> | <b>2008<br/>Allowance<br/>for<br/>doubtful<br/>accounts</b> | <b>Book<br/>value</b> |
|-------------------------------------|---------------------|---|-----------------------|
| Trade accounts and notes receivable | (Won) 2,832,288     | 12,186  | 2,820,102             |
| Other accounts receivable           | 53,435              | 618   | 52,817                |
| Accrued income                      | 59,119              | 593   | 58,526                |
| Advance payments                    | 1,524               | 13  | 1,511                 |
| Long-term other accounts receivable | 25,452              | 3   | 25,449                |

| <i>In millions of Won</i>           | <b>Gross amount</b> | <b>2007<br/>Allowance<br/>for<br/>doubtful<br/>accounts</b> | <b>Book<br/>value</b> |
|-------------------------------------|---------------------|---|-----------------------|
| Trade accounts and notes receivable | (Won) 2,348,707     | 9,017   | 2,339,690             |
| Other accounts receivable           | 98,341              | 1,243   | 97,098                |
| Accrued income                      | 14,091              | 142   | 13,949                |
| Advance payments                    | 2,811               | 28  | 2,783                 |
| Long-term other accounts receivable | 20,145              | 4   | 20,141                |

Certain trade accounts and notes receivable arising from export sales were sold to financial institutions of which (Won)839,943 million is current and outstanding as of June 30, 2008. The transferred accounts receivable was recorded as short-term borrowings.

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

**Notes to Interim Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

**6 Inventories**

Inventories as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i> | <b>2008</b>         |                       | <b>Book value</b> |
|---------------------------|---------------------|-----------------------|-------------------|
|                           | <b>Gross amount</b> | <b>Valuation loss</b> |                   |
| Finished goods            | (Won) 809,383       | 29,468                | 779,915           |
| Merchandise               | 1,699               | 29                    | 1,670             |
| Work-in-process           | 428,051             | 9,633                 | 418,418           |
| Raw materials             | 147,046             | 5,283                 | 141,763           |
| Supplies                  | 74,795              | 29,626                | 45,169            |
|                           | (Won) 1,460,974     | 74,039                | 1,386,935         |

  

| <i>In millions of Won</i> | <b>2007</b>         |                       | <b>Book value</b> |
|---------------------------|---------------------|-----------------------|-------------------|
|                           | <b>Gross amount</b> | <b>Valuation loss</b> |                   |
| Finished goods            | (Won) 460,756       | 7,722                 | 453,034           |
| Work-in-process           | 216,258             | 7,590                 | 208,668           |
| Raw materials             | 110,652             | 2,604                 | 108,048           |
| Supplies                  | 80,205              | 26,031                | 54,174            |
|                           | (Won) 867,871       | 43,947                | 823,924           |

**7 Investment in Equity Securities**

During the three month period ended June 30, 2008, the Controlling Company acquired 1,008,875 common shares (13.0%) and 2,037,204 common shares (19.9%) of TLI Inc. and AVACO Co., Ltd. at (Won)14,074 million and (Won)6,173 million, respectively. Although the Controlling Company's share interests in these investees are below 20%, the Company is able to exercise significant influence through its right to assign a director in the board of directors of the investees and, accordingly, the investments in these investees have been accounted for using the equity method.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****8 Property, Plant and Equipment**

Property, plant and equipment as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>                 | <b>2008</b>     | <b>2007</b>  |
|---|-----------------|--------------|
| Acquisition cost:                         |                 |              |
| Land                                      | (Won) 386,419   | 336,434      |
| Buildings                                 | 2,492,854       | 2,374,513    |
| Structures                                | 179,040         | 172,453      |
| Machinery and equipment                   | 15,017,928      | 14,740,001   |
| Tools                                     | 194,391         | 192,817      |
| Furniture and fixtures                    | 485,231         | 469,256      |
| Vehicles                                  | 15,778          | 14,463       |
| Others                                    | 9,244           | 8,887        |
| Machinery-in-transit                      | 189,099         | 19,043       |
| Construction-in-progress                  | 1,382,209       | 745,606      |
|   | 20,352,193      | 19,073,473   |
| Less accumulated depreciation             | (12,857,093)    | (11,504,020) |
| Less accumulated impairment loss          | (83)            | (16,139)     |
| Less government subsidies (*)             | (31,093)        | (24,791)     |
| <b>Property, plant and equipment, net</b> | (Won) 7,463,924 | 7,528,523    |

(\*) The Company acquired land at EUR1 in 2006 and received cash grants which are intended to be used for the construction of a plant according to an investment agreement with the Polish Government. The land was recognized at fair value at the acquisition date, amounting to PLN 57,413 thousand ((Won) 28,166 million), and the corresponding amount less EUR1 was recognized as a deduction to land. The cash grants amounting to PLN40,012 thousand ((Won)19,626 million) were recorded as a other non-current liability due to the repayment contingency to be determined based on the level of employment and investment by 2012. Other government subsidies are related to purchase of buildings, structures and machinery and equipment.

The Company capitalizes the interest expense and loss on foreign currency translation incurred on borrowings used to finance the cost of constructing facilities and equipment. Capitalized loss on foreign currency translation and interest expenses for the six-month period ended June 30, 2008 and the year ended December 31, 2007, amount to (Won)18,662 million and (Won)25,217 million, respectively.



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**9 **Debentures**

(a) Details of debentures issued by the Company as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>          | <b>Maturity</b> | <b>Annual interest rate</b> | <b>2008</b>     | <b>2007</b> |
|------------------------------------|-----------------|-----------------------------|-----------------|-------------|
| <b>Local currency debentures</b>   |                 |                             |                 |             |
| Public debentures                  | October 2008 ~  |                             |                 |             |
|                                    | March 2010      | 3.50 ~ 5.00%                | (Won) 1,130,000 | 1,180,000   |
| Private debentures                 | December 2010 ~ |                             |                 |             |
|                                    | June 2011       | 5.30 ~ 5.89%                | 600,000         | 600,000     |
| Less discount on debentures        |                 |                             | (6,477)         | (9,526)     |
| Less current portion of debentures |                 |                             | (478,701)       | (249,110)   |
|                                    |                 |                             | 1,244,822       | 1,521,364   |
| <b>Foreign currency debentures</b> |                 |                             |                 |             |
| Convertible bond                   | April 2012      | zero coupon                 | 511,555         | 511,555     |
| Less discount on debentures        |                 |                             | (2,002)         | (2,237)     |
| Less conversion right adjustment   |                 |                             | (105,921)       | (118,323)   |
| Add redemption premium             |                 |                             | 85,788          | 85,788      |
|                                    |                 |                             | 489,420         | 476,783     |
|                                    |                 |                             | (Won) 1,734,242 | 1,998,147   |

Principal of the local currency debentures are to be repaid at maturity and interests are paid quarterly. The Controlling Company has redeemed local currency debentures amounting to (Won)50,000 million for the six-month period ended June 30, 2008. As a result, the Company recognized gain and loss on redemption of debentures of (Won)188 million and (Won)13 million, respectively.

(b) Details of the convertible bond as of June 30, 2008 are as follows:

|                         | <b>Terms and Conditions</b>    |
|-------------------------|--------------------------------|
| Issue date              | April 18, 2007                 |
| Maturity date           | April 18, 2012                 |
| Conversion period       | April 19, 2008 ~ April 3, 2012 |
| Conversion price in Won | (Won)48,760                    |

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

Issued amount

USD 550 million

The bond will be repaid at 116.77% of their principal amount at maturity unless the put option of bondholders are exercised in which case the bondholders will be repaid at 109.75% of their principal amount on April 18, 2010.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**9 Debentures, Continued

The Controlling 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 Controlling Company's option, at the amount of the principal and interest 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)49,070 to (Won)48,760 per share due to payment of cash dividends of (Won)750 per share for the year ended December 31, 2007. 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>     | <b>June 30, 2008</b>  | <b>December 31,<br/>2007</b> |
|-----------------------------|-----------------------|------------------------------|
| Convertible bond amount (*) | (Won) 513,480,000,000 | 513,480,000,000              |
| Conversion price            | (Won) 48,760          | 49,070                       |
| Common shares to be issued  | 10,530,762            | 10,464,234                   |

(\*) The exchange rate for the conversion is fixed at (Won)933.6 to USD 1.

(c) Aggregate maturities of the Company's debentures as of June 30, 2008 are as follows:

| <i>In millions of Won</i>    |       | <b>Debentures</b> | <b>Convertible bonds</b> | <b>Total</b> |
|------------------------------|-------|-------------------|--------------------------|--------------|
| <b>Period</b>                |       |                   |                          |              |
| July 1, 2008 ~ June 30, 2009 | (Won) | 480,000           |                          | 480,000      |
| July 1, 2009 ~ June 30, 2010 |       | 650,000           |                          | 650,000      |
| July 1, 2010 ~ June 30, 2011 |       | 600,000           |                          | 600,000      |
| July 1, 2011 ~ June 30, 2012 |       |                   | 597,343                  | 597,343      |
|                              |       | (Won) 1,730,000   | 597,343                  | 2,327,343    |

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

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****10 Short-Term Borrowings and Long-Term Debt**

(a) Short-term borrowings as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions</i>             |                         |       |           |         |
|--------------------------------|-------------------------|-------|-----------|---------|
| Lender                         | Annual interest rate(*) |       | 2008      | 2007    |
| <b>Working capital</b>         |                         |       |           |         |
| Korea Exchange Bank and others | LIBOR + 0.60 ~ 0.80%    | (Won) | 839,943   |         |
| Foreign currency equivalent    |                         |       | USD 805   |         |
|                                |                         |       | 839,943   |         |
| Mizuho Bank and others         | TIBOR + 0.39 ~ 0.40%    |       | 10,809    | 4,660   |
| Foreign currency equivalent    |                         |       | JPY 1,101 | JPY 556 |
|                                |                         |       | 10,809    | 4,660   |
|                                |                         | (Won) | 850,752   | 4,660   |

(\*) TIBOR represents Tokyo Inter-Bank Offered Rates.

(b) Long-term debt as of June 30, 2008 and December 31, 2007 is as follows:

| <i>In millions</i>                                 |                             |       |          |          |
|--|-----------------------------|-------|----------|----------|
| Lender   | Annual interest rate(*)     |       | 2008     | 2007     |
| <b>Local currency loans</b>                        |                             |       |          |          |
| Korea Development Bank( KDB ) and others           | 5.88 ~ 6.08%                | (Won) | 81,983   | 109,117  |
| Shinhan Bank                                       | 3 year Korean Treasury Bond |       |          |          |
|  | rate - 1.25%                |       | 18,982   | 18,982   |
| Less current portion of long-term debt             |                             |       | (59,483) | (61,767) |
|  |                             |       | 41,482   | 66,332   |
| <b>Foreign currency loans</b>                      |                             |       |          |          |
| Industrial and Commercial Bank of China and others | 6ML + 0.50 % ~ 0.68 %       |       | 264,887  | 245,076  |
|  | 95% of the Basic Rate       |       |          |          |

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

| published                              |                    |                 |          |
|--|--------------------|-----------------|----------|
| by the People's Bank of China          |                    |                 |          |
| 3M EURIBOR + 0.60 %                    |                    |                 |          |
| The Export-Import Bank of Korea        | 6ML + 0.69 ~ 1.20% | 58,431          | 58,168   |
| Korea Development Bank                 | 3ML + 0.66 ~ 1.35% | 161,727         | 159,494  |
| Kookmin Bank and others                | 3ML + 0.35 ~ 0.53% | 417,360         | 375,280  |
|  | 6ML + 0.41 %       | 208,680         | 187,640  |
| Foreign currency equivalent            |                    | USD 944         | USD 978  |
|  |                    | CNY 70          | CNY 100  |
|  |                    | EUR 70          | EUR 70   |
| Less current portion of long-term debt |                    | (67,104)        | (98,205) |
|  |                    | 1,043,981       | 927,453  |
|  |                    | (Won) 1,085,463 | 993,785  |

(\*) ML represents Monthly LIBOR (London Inter-Bank Offered Rates) and M EURIBOR represents Monthly EURIBOR (Euro Inter-Bank Offered Rates).

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**

## 10 Short-Term Borrowings and Long-Term Debt, Continued

(c) Aggregate maturities of the Company's long-term debt as of June 30, 2008 are as follows:

| <i>In millions of Won</i>    |       | <b>Local<br/>currency<br/>loans</b> | <b>Foreign<br/>currency<br/>loans</b> | <b>Total</b> |
|------------------------------|-------|-------------------------------------|---------------------------------------|--------------|
| <b>Period</b>                |       |                                     |                                       |              |
| July 1, 2008 ~ June 30, 2009 | (Won) | 59,483                              | 67,104                                | 126,587      |
| July 1, 2009 ~ June 30, 2010 |       | 23,703                              | 63,232                                | 86,935       |
| July 1, 2010 ~ June 30, 2011 |       | 3,669                               | 295,515                               | 299,184      |
| July 1, 2011 ~ June 30, 2012 |       | 3,796                               | 618,490                               | 622,286      |
| Thereafter                   |       | 10,314                              | 66,744                                | 77,058       |
|                              | (Won) | 100,965                             | 1,111,085                             | 1,212,050    |

## 11 Share-Based Payments

(a) The terms and conditions of grants as of June 30, 2008 are as follows:

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

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

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

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

- (\*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 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, only 110,000 shares, 50% of the outstanding SARs, as of June 30, 2008 are exercisable.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)****11 Share-Based Payments, Continued**

- (b) The change in the number of share options outstanding for the six-month period ended June 30, 2008 and for the year ended December 31, 2007 are as follows:

| <i>In share</i>                | Stock appreciation rights |         |
|--------------------------------|---------------------------|---------|
|                                | 2008                      | 2007    |
| Balance at beginning of period | 220,000                   | 260,000 |
| Forfeited or cancelled         | 110,000                   | 40,000  |
| Outstanding at end of period   | 110,000                   | 220,000 |
| Exercisable at June 30, 2008   | 110,000                   |         |

- (c) The Controlling Company reversed accumulated stock compensation cost of (Won)560 million for the six-month period ended June 30, 2008 as the market price of the Controlling Company's common share was less than the exercise price of a SARs.

**12 Commitments and Contingencies**

- (a) Commitments

**Overdraft agreements and credit facility agreement**

As of June 30, 2008, the Controlling Company has bank overdraft agreements with Woori Bank and other various banks amounting to (Won)59,000 million and has a revolving credit facility agreement with Shinhan Bank and several other banks totaling (Won)100,000 million and USD100 million.

**Factoring and securitization of accounts receivable**

As of June 30, 2008, the Controlling Company has agreements with Korea Development Bank and other several banks for U.S. dollar denominated accounts receivable negotiating facilities of up to an aggregate of USD1,596.5 million.

In October 2006, LG Display America, Inc., LG Display Germany GmbH and LG Display Shanghai Co., Ltd. and LG Display HongKong Co., Ltd. entered into a five-year accounts receivable selling program with Standard Chartered Bank, selling accounts receivable on a revolving basis, of up to USD600 million. The Controlling Company joined this program in April 2007. For the six-month period ended June 30, 2008, no accounts and notes receivable were sold that are past due.

In September 2006, LG Display Taiwan Co., Ltd. entered into an accounts receivable selling program with ChinaTrust Bank and another bank of up to USD587.5 million. At June 30, 2008, no accounts and notes receivable were sold that are past due.

**Letters of credit**



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

As of June 30, 2008, the Controlling Company has agreements with Korea Exchange Bank and other banks in relation to the opening of letters of credit amounting to (Won)90,000 million and USD35.5 million.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

**Notes to Interim Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

12 Commitments and Contingencies. Continued

Payment guarantees

The Controlling Company receives repayment guarantees from ABN AMRO Bank amounting to USD8.5 million relating to tax payments in Poland. As of June 30, 2008, the Controlling Company entered into a payment guarantee agreement with a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR70 million term loan credit facility of LG.Display Poland Sp. zo.o.

LG Display America, Inc. and other subsidiaries have entered into short-term credit facility agreements of up to USD57 million, EUR3.6 million, and JPY5,200 million with Comerica Bank and other various banks. LG Display Japan Co., Ltd. and LG Display Taiwan Co., Ltd. are provided with repayment guarantees from the Bank of Tokyo-Mitsubishi and ABN AMRO Bank amounting to JPY1,300 million and USD4 million, respectively, relating to their local tax payments.

License agreements

As of June 30, 2008, in relation to its TFT-LCD business, the Controlling Company has technical license agreements with Hitachi, Ltd., and others and has a trademark license agreement with LG Corporation. The trademark license agreement with Koninklijke Philips Electronics N.V. has expired as of June 30, 2008.

(b) Contingencies

As of June 30, 2008, the Controlling Company is involved in several legal proceedings and claims arising in the ordinary course of business. The Controlling Company's management does not expect that the outcome in these legal proceedings and claims, individually or collectively, will have any material adverse effect on the Controlling Company's financial condition, results of operations or cash flows.

Patent infringement lawsuit against Chi Mei Optoelectronics Corp. and others

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

Intervention in Positive Technologies, Inc.'s patent infringement lawsuit

On April 14, 2006, Positive Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against, among others, several of the Controlling Company's customers, including BenQ America Corp., Hitachi America Ltd., Panasonic Corp. of North America, Philips Electronics North America Corp. and Toshiba America, Inc. for alleged infringement of two of its patents relating to LCD displays. Positive Technologies, Inc. is seeking, among other things, damages for past infringement. On March 7, 2007, the United States District Court for the Eastern District of Texas granted the Controlling Company's intervention in the patent infringement case brought by Positive Technologies, Inc.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**12 Commitments and Contingencies, continuedAnvik 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 connection with the usage of photo-masking equipment manufactured by Nikon Corporation.

Investigation on anti-competitive activities by authorities in Korea, Japan and U.S.

The Company is currently under investigation by the fair trade or antitrust authorities in Korea, Japan, U.S. and other markets with respect to possible anti-competitive activities in the LCD industry. As of June 30, 2008, the Company, along with a number of other companies in the LCD industry, has been named as defendants in a number of purported federal class actions in the United States alleging that the defendants violated the antitrust laws in connection with the sale of LCD panels. In February 2007, the Company and certain of its officers and directors have been named as defendants in a federal class action in the United States by the shareholders of the Company alleging violations of the U.S. Securities Exchange Act of 1934, as amended, by the Company and certain of its officers and directors in connection with possible anti-competitive activities in the LCD industry.

13 Derivative Instruments

(a) Details of derivative instruments as of June 30, 2008 are as follows:

|                     | <b>Hedging purpose</b> | <b>Derivative instrument</b>   |
|---------------------|------------------------|--|
| Hedge of fair value |                        | Foreign Currency Forwards<br>Range Forward Options                     |
| Hedge of cash flows |                        | Foreign Currency Forwards<br>Cross Currency Swap<br>Interest Rate Swap |

(b) Hedge of fair value

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

(i) Foreign Currency Forwards

Details of foreign currency forwards outstanding as of June 30, 2008 are as follows:

*In millions of Won, millions of JPY and thousands of USD, except forward rate and maturity date*

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

| <b>Bank</b>                 | <b>Maturity date</b> | <b>Selling</b> | <b>Buying</b> | <b>Forward rate</b> |
|-----------------------------|----------------------|----------------|---------------|---------------------|
| ABN AMRO Bank and others    | July 1, 2008 ~       |                |               | (Won)977.70 ~       |
|                             | November 17, 2008    | USD 611,000    | (Won) 626,374 | (Won) 1,053.40:USD1 |
| BNP PARIBAS Bank and others | July 14, 2008~       |                |               | JPY 104.63 ~        |
|                             | August 14, 2008      | USD 94,414     | JPY 10,000    | JPY 107.79:USD1     |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**13 **Derivative Instruments, Continued**

## (ii) Range Forward Options

Details of range forward options outstanding as of June 30, 2008 are as follows:

*In millions of Won and thousands of USD, except forward rate and maturity date*

| <b>Bank</b>          | <b>Maturity date</b> | <b>Selling</b> | <b>Buying</b> | <b>Forward rate</b> |
|----------------------|----------------------|----------------|---------------|---------------------|
| Citi Bank and others | July 9 , 2008 ~      |                |               | (Won) 941.00 ~      |
|                      | September 29, 2008   | USD 330,000    | USD 330,000   | (Won) 999.10:USD 1  |

(iii) Unrealized gains and losses related to hedge of fair value as of June 30, 2008 are as follows:

*In millions of Won*

| <b>Type</b>               | <b>Unrealized gains</b> | <b>Unrealized losses</b> |
|---------------------------|-------------------------|--------------------------|
| Foreign Currency Forwards | (Won) 843               | 13,265                   |
| Range Forward Options     |                         | 28,307                   |

The net unrealized losses are charged to operations as gains and losses on foreign currency translation for the six-month period ended June 30, 2008.

## (c) Hedge of cash flows

The Controlling Company enters into foreign currency forward contracts to manage the exposure to changes in foreign currency related to purchase of raw materials and sale of products in accordance with its foreign currency risk management policy. In addition, the Controlling Company entered into cross currency swap and interest rate swap contracts to manage the exposure to changes in cash flows from changes in foreign currency exchange rates and interest rates related to floating rate notes.

Net unrealized gains and losses, net of related taxes, incurred relating to cash flow hedges from forecasted exports and the purchase of materials, were recorded as accumulated other comprehensive income. Unrealized gains and losses from the contracts that did not meet the requirements for a cash flow hedge were charged to operations as foreign currency translation gains and losses.

## (i) Foreign Currency Forwards

Details of foreign currency forwards outstanding as of June 30, 2008 are as follows:

*In millions of Won, millions of JPY and thousands of USD, except forward rate and maturity date*

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

| <b>Bank</b>                 | <b>Maturity date</b> | <b>Selling</b> | <b>Buying</b> | <b>Forward rate</b>  |
|-----------------------------|----------------------|----------------|---------------|----------------------|
| BNP PARIBAS Bank and others | July 1, 2008 ~       |                |               | (Won)944.10 ~        |
|                             | December 31, 2008    | USD 785,000    | (Won)774,609  | (Won) 1,050.10:USD 1 |
| CALYON Bank and others      | July 14, 2008 ~      |                |               | (Won)9.58 ~          |
|                             | August 14, 2008      | (Won)38,470    | JPY 4,000     | (Won) 9.65: JPY1     |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**13 Derivative Instruments, Continued

The net unrealized losses recorded, amounting to (Won)44,889 million, under accumulated other comprehensive income, are expected to be recognized as realized gain and loss within the next twelve months.

## (ii) Cross Currency Swap

*In millions of Won and thousands of USD, except forward rate and maturity date*

| Bank                    | Maturity date                         | Selling       | Buying     | Contract rate                                       |
|-------------------------|---------------------------------------|---------------|------------|---|
| Kookmin Bank and others |                                       |               |            | 3M LIBOR ~  |
|                         | August 29, 2011 ~<br>January 31, 2012 |               | USD150,000 | Recieve<br>floating rate                            |
|                         |                                       | (Won) 143,269 |            | Pay fixed rate<br>3M LIBOR + 0.53%<br>4.54% ~ 5.35% |

In relation to the abovementioned cross currency swap, unrealized losses amounting to (Won)1,239 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as gain and loss within the next twelve months.

## (iii) Interest Rate Swap

*In thousands of USD, except forward rate and maturity date*

| Bank          | Maturity date  | Contract amount | Contract rate                                 |
|---------------|----------------|-----------------|---|
| SC First Bank | May 21, 2009 ~ |                 | Receive                                       |
|               | May 24, 2010   | USD150,000      | floating rate                                 |
|               |                |                 | Pay fixed rate<br>6M LIBOR<br>5.375% ~ 5.644% |

In relation to the abovementioned interest rate swap, unrealized losses amounting to (Won)3,338 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as gain and loss within the next twelve months.

## (iv) Unrealized gains and losses related to hedge of cash flows as of June 30, 2008 are as follows:

*In millions of Won*

| Type                      | Unrealized gains | Unrealized losses | Cash flow hedge requirements |
|---------------------------|------------------|-------------------|------------------------------|
| Foreign currency forwards | (Won) 985        | 45,874            | Fulfilled                    |
| Cross currency swap(*)    |                  | 4,568             | Fulfilled                    |

|                    |       |           |
|--------------------|-------|-----------|
| Interest rate swap | 5,604 | Fulfilled |
|--------------------|-------|-----------|

(\*) The unrealized gains amounting to (Won)15,780 that related to the hedge of foreign exchange rate risk are recognized as gains and losses in the consolidated statement of income in the current period.



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**13 Derivative Instruments, Continued

- (d) Realized gains and losses related to derivative instruments for the six-month period ended June 30, 2008 are as follows:

*In millions of Won*

| Hedge purpose    | Type                      | Transaction gains | Transaction losses |
|------------------|---------------------------|-------------------|--------------------|
| Cash flow hedge  | Cross currency swap       | (Won) 145         | 419                |
| Cash flow hedge  | Interest rate swap        |                   | 561                |
| Cash flow hedge  | Foreign currency forwards | 3,606             | 60,943             |
| Fair value hedge | Foreign currency forwards | 5,493             | 69,709             |
| Fair value hedge | Range forward options     | 2,441             | 40,613             |

The transaction gains and losses are charged to operations for the six-month period ended June 30, 2008.

14 Income Taxes

- (a) Income tax expense for the six-month period ended June 30, 2008 is as follows:

*In millions of Won*

|  | 2008          |
|--|---------------|
| Current income taxes   | (Won) 312,917 |
| Change in deferred income taxes from temporary differences               | (40,947)      |
| Change in deferred income taxes from tax credit                          | 128,725       |
| Change in deferred income taxes charged directly to stockholders' equity | (31,890)      |
| Income tax expense   | (Won) 368,805 |

- (b) Changes in accumulated temporary differences for the six-month period ended June 30, 2008 are as follows:

| <i>In millions of Won</i>     | January 1, 2008 | Increase (decrease) | June 30, 2008 |
|-------------------------------|-----------------|---------------------|---------------|
| Inventories                   | (Won) 24,236    | 39,174              | 63,410        |
| Derivatives                   | 15,561          | 9,389               | 24,950        |
| Property, plant and equipment | 390,226         | (61,135)            | 329,091       |

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

|                  |               |         |         |
|------------------|---------------|---------|---------|
| Warranty reserve | 49,295        | 15,831  | 65,126  |
| Others           | 32,537        | (9,037) | 23,500  |
|                  | (Won) 511,855 | (5,778) | 506,077 |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**14 Income Taxes, Continued

(c) Changes in deferred income tax assets (liabilities) for the six-month period ended June 30, 2008 are as follows :

| <i>In millions of Won</i>                              | January 1,<br>2008 | Increase<br>(decrease) | June 30,<br>2008 | Current | Non-current |
|--|--------------------|------------------------|------------------|---------|-------------|
| Inventories  | (Won) 5,978        | 11,526                 | 17,504           | 17,504  |             |
| Derivatives  | 3,898              | 2,964                  | 6,862            | 3,221   | 3,641       |
| Property, plant and equipment                          | 63,733             | 14,702                 | 78,435           |         | 78,435      |
| Warranty reserve                                       | 12,348             | 5,562                  | 17,910           | 15,253  | 2,657       |
| Others   | (11,946)           | 38,083                 | 26,137           | 6,672   | 19,465      |
| Total  | 74,011             | 72,837                 | 146,848          | 42,650  | 104,198     |
| Deferred income taxes added to<br>stockholders' equity | 6,303              | (31,890)               | (25,587)         | 21,520  | (47,107)    |
| Tax credit carryforwards                               | 403,670            | (128,725)              | 274,945          | 274,945 |             |
|  | (Won) 483,984      | (87,778)               | 396,206          | 339,115 | 57,091      |

(d) The Controlling Company's statutory tax rate for the six-month periods ended June 30, 2008 and 2007 is 27.5%. Under the Foreign Investment Promotion Act of Korea, from September 1999, the Controlling Company is entitled to an exemption from income taxes in proportion to the percentage of foreign equity for seven years following the registration of each foreign equity investment, and at one-half of that percentage for the subsequent three years.

15 Consolidated Comprehensive Income

Consolidated comprehensive income for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>   | 2008            | 2007     |
|---|-----------------|----------|
| Net income  | (Won) 1,476,119 | 59,888   |
| Change in cumulative translation adjustments, net of tax effect of (Won)(36,582) million in 2008 and (Won)1,526 million in 2007 | 75,196          | 9,181    |
| Change in fair value of available-for-sale securities, net of tax effect of (Won)(4,988) million in 2008 and Nil in 2007        | 13,149          |          |
| Gain on valuation of cash flow hedges, net of tax effect of (Won)297 million in 2008 and (Won)4,587 million in 2007             | (784)           | (12,094) |
| Loss on valuation of cash flow hedges, net of tax effect of (Won)9,383 million in 2008 and (Won)(1,278) million in 2007         | (24,736)        | 3,370    |
| Comprehensive income  | (Won) 1,538,944 | 60,345   |



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**16 Cost of Sales

Cost of sales for the six-month periods ended June 30, 2008 and 2007 is as follows:

| <i>In millions of Won</i>        |       | <b>2008</b> | <b>2007</b> |
|----------------------------------|-------|-------------|-------------|
| Finished goods                   | (Won) | 5,928,563   | 5,800,973   |
| Beginning balance of inventories |       | 453,034     | 572,210     |
| Cost of goods manufactured       |       | 6,255,444   | 5,761,958   |
| Ending balance of inventories    |       | (779,915)   | (533,195)   |
| Merchandise                      |       | 118,040     |             |
| Others                           |       | 9,338       | 12,992      |
|                                  | (Won) | 6,055,941   | 5,813,965   |

17 Selling and Administrative Expenses

Selling and administrative expenses for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i> |       | <b>2008</b> | <b>2007</b> |
|---------------------------|-------|-------------|-------------|
| Salaries                  | (Won) | 69,929      | 46,816      |
| Severance benefits        |       | 6,159       | 5,098       |
| Other employee benefits   |       | 9,814       | 5,948       |
| Shipping cost             |       | 90,256      | 93,056      |
| Rent                      |       | 7,380       | 5,240       |
| Fees and commissions      |       | 38,526      | 36,938      |
| Insurance expenses        |       | 3,707       | 2,582       |
| Entertainment             |       | 2,451       | 1,655       |
| Depreciation              |       | 9,956       | 5,530       |
| Traveling expenses        |       | 6,497       | 4,772       |
| Training expenses         |       | 5,388       | 1,141       |
| Taxes and dues            |       | 4,375       | 2,611       |
| Advertising               |       | 21,341      | 12,867      |
| Sales promotion           |       | 4,665       | 8,908       |
| Development costs         |       | 4,231       | 1,456       |
| Research                  |       | 64,185      | 49,588      |
| Bad debt expenses         |       | 2,154       |             |
| A/S                       |       | 56,148      | 31,083      |
| Others                    |       | 13,600      | 5,651       |



**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**18 Earnings Per Share

(a) Basic earnings per share for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In Won, except share information</i>              | <b>2008</b>             | <b>2007</b>    |
|--|-------------------------|----------------|
| <b>Net income</b>                                    | (Won) 1,476,118,880,812 | 59,887,768,558 |
| Weighted-average number of common shares outstanding | 357,815,700             | 357,815,700    |
| <b>Earnings per share</b>                            | (Won) 4,125             | 167            |

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 six-month periods ended June 30, 2008 are as follows:

| <i>In Won, except share information</i>  | <b>2008</b>             |
|--|-------------------------|
| <b>Net income</b>  | (Won) 1,476,118,880,812 |
| Interest on convertible bonds, net of tax  | 9,388,942,093           |
| <b>Adjusted income</b>   | 1,485,507,822,905       |
| Weighted-average number of common shares outstanding and common equivalent shares(*) | 368,346,462             |
| <b>Diluted earnings per share</b>  | (Won) 4,033             |

For the six-month period ended June 30, 2007, diluted income per share is identical to basic income per share due to the anti-dilution effect as a result of net income.

(\*) Weighted-average number of common shares outstanding calculated as follows:

| <i>In shares</i>   | <b>2008</b> |
|--|-------------|
| <b>Weighted-average number of common shares (basic)</b>                    | 357,815,700 |
| Effect of conversion of convertible bonds(**)                              | 10,530,762  |
| <b>Weighted-average number of common shares (diluted) at June 30, 2008</b> | 368,346,462 |

(\*\*) The conversion effect of the convertible bond for the six-month period ended June 30, 2008 is as follows:

| <i>In shares</i>                          | <b>Descriptions</b>             |
|---|---------------------------------|
| Number of convertible bonds               | 10,530,762                      |
| Period                                    | January 1, 2008 ~ June 30, 2008 |
| Weighted                                  | 182 days / 182 days             |
| Effect of conversion of convertible bonds | 10,530,762                      |

(c) Earnings per share and diluted earnings per share for the year ended December 31, 2007 were (Won)3,756 and (Won)3,716, respectively.



**Table of Contents**

**LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

**Notes to Interim Consolidated Financial Statements**

**June 30, 2008**

**(Unaudited)**

19 Transactions and Balances with Related Companies

(a) Details of the Company's related parties as of June 30, 2008 are as follows:

|   |   |
|---|---|
| <b>Parent</b>   | <b>Control relationship</b>                             |
| LG Corp.  | Company that has significant influence over the Company |
| LG Electronics Inc.(*)                                | Controlling party                                       |
| <b>Other related parties</b>                          | <b>Relationship</b>                                     |
| Paju Electric Glass Co., Ltd.                         | Equity-method investee                                  |
| TLI Inc.  |   |
| AVACO Co., Ltd  |   |
| Dacom Multimedia Internet Corporation,                | Affiliates  |
| Dacom Crossing Corporation, Siltron Incorporated,     |   |
| LG Management Development Institute Co., Ltd.,        |   |
| LG Sports Ltd., LG CNS Co., Ltd., Serveone Co., Ltd., |   |
| Hiplaza Co., Ltd., LG Dow Polycarbonate,              |   |
| LG N-Sys Inc., LG MMA Corporation,                    |   |
| LG Innotek Co., Ltd., LG Powercom Corp.,              |   |
| Seatek Co., Ltd., V-ENS Co., Ltd.,                    |   |
| Hi Business Logistics, Lusem Co., Ltd., CSLeader,     |   |
| AIN Tele Service, Biztech&Ektimo Co. Ltd.,            |   |
| LG Solar Energy Inc., Coca-Cola Beverage Co.,         |   |
| LG CHEM Ltd., LG Dacom Corporation,                   |   |
| LG International Corp.,                               |   |

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

LG Household & Health care Ltd., LG Life Sciences,

Ltd .LG Telecom Co., Ltd., LG Micron Ltd., TWIN WINE,  
Korea Commercial Vehicle Co., Ltd.

Ucess Partners Co., Ltd,

System Air-con Engineering Incorporation and others

(\*) LG Electronics Inc. files consolidated financial statements.

Koninklijke Philips Electronics N.V., which had significant influence over the Company in 2007, sold its share interest in the Company resulting in decreased share interest of 13.2% (47,225 thousand shares) and resigned from the Company's management. Accordingly, Koninklijke Philips Electronics N.V. was excluded from the companies that have significant influence over the Company as of June 30, 2008.

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**19 Transactions and Balances with Related Companies, continued

- (b) Significant transactions which occurred in the normal course of business with related companies, excluding consolidated subsidiaries, for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>                                  | Sales and other |           | Purchases and other |           |
|--|-----------------|-----------|---------------------|-----------|
|  | 2008            | 2007      | 2008                | 2007      |
| Controlling party  | (Won) 2,398,024 | 1,946,081 | (Won) 107,258       | 54,862    |
| Companies that have significant influence over the Company |                 |           | 11,836              | 7,482     |
| Equity-method investee                                     |                 |           | 228,815             | 115,563   |
| Other related parties                                      | 1,031,351       | 410,686   | 1,438,707           | 985,794   |
|  | (Won) 3,429,375 | 2,356,767 | (Won) 1,786,616     | 1,163,701 |

- (c) Account balances with related companies, excluding consolidated subsidiaries, as of June 30, 2008 and December 31, 2007 are as follows:

| <i>In millions of Won</i>                                  | Trade accounts and notes receivable and other |         | Trade accounts and notes payable and other |         |
|--|---|---------|--|---------|
|  | 2008  | 2007    | 2008                                       | 2007    |
| Controlling party  | (Won) 707,693                                 | 400,348 | (Won) 96,067                               | 26,003  |
| Companies that have significant influence over the Company | 6,057   | 259,580 | 1,067                                      | 8,654   |
| Equity-method investee                                     |   |         | 41,985                                     | 30,291  |
| Other related parties                                      | 332,258                                       | 114,539 | 517,393                                    | 371,079 |
|  | (Won) 1,046,008                               | 774,467 | (Won) 656,512                              | 436,027 |

- (d) Key management compensation costs for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i> | 2008      | 2007 |
|---------------------------|-----------|------|
| Salaries                  | (Won) 875 | 838  |
| Severance benefits        | 191       | 531  |
| Incentives                | 827       |      |

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

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**19 Transactions and Balances with Related Companies. continued

- (e) Transactions between the Controlling Company and its consolidated subsidiaries for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>      | Sales and other income |           | Purchases and other expense |         |
|--------------------------------|------------------------|-----------|-----------------------------|---------|
|                                | 2008                   | 2007      | 2008                        | 2007    |
| LG Display America, Inc.       | (Won) 1,091,111        | 655,839   | (Won)                       | 5       |
| LG Display Taiwan Co., Ltd.    | 2,018,271              | 1,626,800 |                             | 63      |
| LG Display Japan Co., Ltd.     | 766,190                | 568,362   |                             |         |
| LG Display Germany GmbH        | 1,261,409              | 906,819   | 2,650                       | 165     |
| LG Display Nanjing Co., Ltd.   | 1,060                  | 3,682     | 152,976                     | 138,879 |
| LG Display Shanghai Co., Ltd.  | 969,226                | 624,042   |                             | 12      |
| LG Display Hong Kong Co., Ltd. |                        | 466,239   |                             | 8       |
| LG Display Poland Sp. zo.o.    | 9,509                  | 6,103     | 66,979                      | 31,580  |
| LG Display Guangzhou Co., Ltd. | 203                    |           | 32,728                      |         |
| LG Display Shenzhen Co., Ltd.  | 603,381                |           |                             |         |
|                                | (Won) 6,720,360        | 4,857,886 | (Won) 255,333               | 170,712 |

- (f) Account balances between the Controlling Company and its consolidated subsidiaries, as of June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>      | Trade accounts and notes receivable |           | Trade accounts and notes payable |        |
|--------------------------------|-------------------------------------|-----------|----------------------------------|--------|
|                                | 2008                                | 2007      | 2008                             | 2007   |
| LG Display America, Inc.       | (Won) 214,058                       | 213,095   | (Won) 148                        |        |
| LG Display Taiwan Co., Ltd.    | 502,392                             | 494,084   | 14                               | 13     |
| LG Display Japan Co., Ltd.     | 180,041                             | 154,182   | 1                                | 1      |
| LG Display Germany GmbH        | 238,092                             | 549,987   | 2,652                            | 3      |
| LG Display Nanjing Co., Ltd.   | 3,302                               | 10,191    | 31,806                           | 44,636 |
| LG Display Shanghai Co., Ltd.  | 290,988                             | 247,679   |                                  |        |
| LG Display Hong Kong Co., Ltd. |                                     | 33        |                                  | 49     |
| LG Display Poland Sp. zo.o.    | 1,036                               | 14,310    | 42,802                           | 22,170 |
| LG Display Guangzhou Co., Ltd. | 2,353                               | 15,038    | 15,155                           | 470    |
| LG Display Shenzhen Co., Ltd.  | 103,872                             | 222,565   |                                  |        |
|                                | (Won) 1,536,134                     | 1,921,164 | (Won) 92,578                     | 67,342 |

**Table of Contents****LG DISPLAY CO., LTD. (formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES****Notes to Interim Consolidated Financial Statements****June 30, 2008****(Unaudited)**20 **Segment Information**

The Company manufactures and sells TFT-LCD and AM-OLED products. Export sales represent approximately 93% of total sales for the six-month period ended June 30, 2008.

The following is a summary of operations by region based on the location of the business for the six-month periods ended June 30, 2008:

| <i>In millions of Won</i> | <b>Korea</b>    |               |             |                |               | <b>Consolidation<br/>Adjustment</b> | <b>Consolidation</b> |
|---------------------------|-----------------|---------------|-------------|----------------|---------------|-------------------------------------|----------------------|
|                           | <b>Domestic</b> | <b>Export</b> | <b>Asia</b> | <b>America</b> | <b>Europe</b> |                                     |                      |
| Total sales               | (Won) 575,188   | 7,675,966     | 4,599,893   | 1,045,530      | 1,359,112     | (7,008,732)                         | 8,246,957            |
| Inter-company sales       |                 | (6,710,189)   | (225,319)   | (760)          | (72,464)      | 7,008,732                           |                      |
| Net sales                 | (Won) 575,188   | 965,777       | 4,374,574   | 1,044,770      | 1,286,648     |                                     | 8,246,957            |
| Operating income          | (Won)           | 1,779,499     | 5,262       | 703            | 6,676         | (21,886)                            | 1,770,254            |
| Total assets              | (Won)           | 15,673,150    | 2,255,301   | 451,652        | 798,506       | (2,345,502)                         | 16,833,107           |

21 **Supplemental Cash Flow Information**

Significant transactions not affecting cash flows for the six-month periods ended June 30, 2008 and 2007 are as follows:

| <i>In millions of Won</i>   | <b>2008</b>   | <b>2007</b> |
|---|---------------|-------------|
| Other accounts payable arising from purchase of property, plant and equipment | (Won) 372,587 | (404,920)   |

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Interim Consolidated Balance Sheets

(Unaudited)

December 31, 2007 and June 30, 2008

| (In millions of Korean Won, and thousands of U.S. dollars, except for share data) | 2007                    | 2008                    | 2008<br>(note 1(c))  |
|---|-------------------------|-------------------------|----------------------|
| <b>Assets</b>   |                         |                         |                      |
| Current assets:   |                         |                         |                      |
| Cash and cash equivalents   | (Won) 1,196,423         | (Won) 890,034           | \$ 850,243           |
| Short-term financial instruments  | 785,000                 | 2,945,000               | 2,813,336            |
| Accounts receivable, net (note 3)   |                         |                         |                      |
| Trade, net  | 1,565,223               | 1,774,094               | 1,694,778            |
| Due from affiliates   | 774,467                 | 1,046,008               | 999,243              |
| Others, net   | 97,098                  | 52,817                  | 50,456               |
| Prepaid expenses  | 41,435                  | 68,835                  | 65,758               |
| Prepaid value added tax   | 105,924                 | 168,030                 | 160,518              |
| Deferred income tax assets (note 11)  | 335,347                 | 341,537                 | 326,268              |
| Inventories (note 5)  | 823,924                 | 1,386,935               | 1,324,928            |
| Available-for-sale securities (notes 4 and 16)                                    | 63                      | 74                      | 71                   |
| Other current assets (note 16)  | 29,472                  | 66,317                  | 63,351               |
| <b>Total current assets</b>   | <b>5,754,376</b>        | <b>8,739,681</b>        | <b>8,348,950</b>     |
| Long-term prepaid expenses  | 181,511                 | 185,504                 | 177,211              |
| Property, plant and equipment, net (notes 8 and 18)                               | 7,591,654               | 7,530,597               | 7,193,921            |
| Intangible assets, net  | 77,487                  | 161,445                 | 154,227              |
| Deferred income tax assets (note 11)  | 160,464                 | 47,428                  | 45,308               |
| Available-for-sale securities (notes 4 and 16)                                    | 1                       | 113,297                 | 108,232              |
| Equity method investments (note 6)  | 24,704                  | 43,421                  | 41,480               |
| Other non-current assets (note 16)  | 54,503                  | 82,384                  | 78,700               |
| <b>Total non-current assets</b>   | <b>8,090,324</b>        | <b>8,164,076</b>        | <b>7,799,079</b>     |
| <b>Total assets</b>   | <b>(Won) 13,844,700</b> | <b>(Won) 16,903,757</b> | <b>\$ 16,148,029</b> |
| <b>Liabilities, Minority Interest and Stockholders Equity</b>                     |                         |                         |                      |
| Current liabilities:  |                         |                         |                      |
| Trade accounts payable  |                         |                         |                      |
| Trade   | (Won) 714,814           | (Won) 781,933           | \$ 746,975           |
| Due to affiliates   | 279,887                 | 326,600                 | 311,999              |
| Other accounts payable (note 18)  |                         |                         |                      |
| Others  | 458,764                 | 702,555                 | 671,145              |
| Due to affiliates   | 156,140                 | 329,912                 | 315,162              |
| Short-term borrowings (notes 9 and 15)  | 4,660                   | 850,752                 | 812,717              |
| Accrued expenses  | 99,288                  | 190,016                 | 181,521              |
| Income taxes payable  | 78,133                  | 303,071                 | 289,521              |
| Current portion of long-term debt and debentures (notes 10 and 16)                | 409,236                 | 605,522                 | 578,451              |
| Other current liabilities (note 16)   | 248,377                 | 176,984                 | 169,071              |
| <b>Total current liabilities</b>  | <b>2,449,299</b>        | <b>4,267,345</b>        | <b>4,076,562</b>     |

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

|   |                         |                         |                      |
|---|-------------------------|-------------------------|----------------------|
| Long-term debt, net of current portion (notes 10, 15 and 16)  | 3,044,252               | 2,925,351               | 2,794,565            |
| Long-term other accounts payable (notes 1 and 16)   | 31,046                  | 52,350                  | 50,010               |
| Long-term accrued expenses  | 17,828                  | 17,481                  | 16,699               |
| Long-term unearned income   |                         | 76,385                  | 72,970               |
| Accrued severance benefits, net   | 53,496                  | 89,500                  | 85,499               |
| Other non-current liabilities (note 16)   |                         | 12,949                  | 12,370               |
| <b>Total non-current liabilities</b>  | <b>3,146,622</b>        | <b>3,174,016</b>        | <b>3,032,113</b>     |
| <b>Total liabilities</b>  | <b>5,595,921</b>        | <b>7,441,361</b>        | <b>7,108,675</b>     |
| <b>Minority interest (note 1)</b>   | <b>86</b>               | <b>87</b>               | <b>83</b>            |
| <b>Stockholders equity (note 12)</b>  |                         |                         |                      |
| Common stock, (Won)5,000 par value. Authorized 500,000,000 shares; issued and outstanding 357,815,700 shares in 2007 and 2008 | 1,789,079               | 1,789,079               | 1,709,093            |
| Capital surplus   | 2,249,637               | 2,253,444               | 2,152,698            |
| Accumulated other comprehensive income  | 15,686                  | 75,285                  | 71,919               |
| Retained earnings   | 4,194,291               | 5,344,501               | 5,105,561            |
| <b>Total stockholders equity</b>  | <b>8,248,693</b>        | <b>9,462,309</b>        | <b>9,039,271</b>     |
| <b>Commitments and contingencies (note 15)</b>  |                         |                         |                      |
| <b>Total liabilities, minority interest and stockholders equity</b>   | <b>(Won) 13,844,700</b> | <b>(Won) 16,903,757</b> | <b>\$ 16,148,029</b> |

See accompanying notes to interim consolidated financial statements.



**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

## Interim Consolidated Statements of Income

(Unaudited)

Three-month and six-month periods ended June 30, 2007 and 2008

| (In millions of Korean Won, and thousands of<br>U.S. dollars, except for earnings per share) | Three Months Ended June 30, |                 | Six Months Ended June 30, |                 | 2008<br>(note 1(c)) |
|--|-----------------------------|-----------------|---------------------------|-----------------|---------------------|
|  | 2007                        | 2008            | 2007                      | 2008            |                     |
| <b>Sales (note 17)</b>   |                             |                 |                           |                 |                     |
| Related parties  | (Won) 1,310,104             | (Won) 2,608,674 | (Won) 2,356,767           | (Won) 3,429,375 | \$ 3,276,056        |
| Others   | 2,044,477                   | 1,602,672       | 3,720,270                 | 4,817,582       | 4,602,199           |
|  | 3,354,581                   | 4,211,346       | 6,077,037                 | 8,246,957       | 7,878,255           |
| <b>Cost of sales</b>   | 3,033,197                   | 3,073,435       | 5,792,138                 | 6,037,997       | 5,768,052           |
| <b>Gross profit</b>  | 321,384                     | 1,137,911       | 284,899                   | 2,208,960       | 2,110,203           |
| Selling, general and administrative expenses   | 174,320                     | 237,566         | 342,608                   | 416,705         | 398,076             |
| <b>Operating income (loss)</b>   | 147,064                     | 900,345         | (57,709)                  | 1,792,255       | 1,712,127           |
| <b>Other income (expense)</b>  |                             |                 |                           |                 |                     |
| Interest income  | 12,419                      | 53,512          | 20,854                    | 93,029          | 88,870              |
| Interest expense   | (50,386)                    | (37,515)        | (97,362)                  | (73,005)        | (69,741)            |
| Foreign exchange gain (loss), net  | 25,610                      | (3,128)         | 23,275                    | (18,789)        | (17,949)            |
| Rental income  | 1,043                       | 838             | 2,050                     | 1,684           | 1,609               |
| Others, net  | 11,175                      | 4,042           | 13,331                    | 8,576           | 8,193               |
| <b>Total other income (expense)</b>  | (139)                       | 17,749          | (37,852)                  | 11,495          | 10,982              |
| <b>Income (loss) before income tax expense (benefit)</b>                                     | 146,925                     | 918,094         | (95,561)                  | 1,803,750       | 1,723,109           |
| Income tax expense (benefit) (note 11)   | (115,343)                   | 172,663         | (188,588)                 | 385,177         | 367,957             |
| Minority interest  |                             | 1               |                           | 1               | 1                   |
| <b>Net income</b>  | (Won) 262,268               | (Won) 745,430   | (Won) 93,027              | (Won) 1,418,572 | \$ 1,355,151        |
| <b>Earnings per share (note 14)</b>  |                             |                 |                           |                 |                     |
| Basic earnings per share   | (Won) 733                   | (Won) 2,083     | (Won) 260                 | (Won) 3,965     | \$ 3.79             |
| Diluted earnings per share   | (Won) 715                   | (Won) 2,034     | (Won) 260                 | (Won) 3,870     | \$ 3.70             |

See accompanying notes to interim consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Interim Consolidated Statements of Stockholders' Equity and Comprehensive Income

(Unaudited)

Six-month periods ended June 30, 2007 and 2008

| (in millions of Korean Won)                      | Common Stock |                 | Capital Surplus            |                       |                   | Accumulated Other Comprehensive Income (Loss) | Total           |
|--|--------------|-----------------|----------------------------|-----------------------|-------------------|---|-----------------|
|  | Shares       | Amount          | Additional Paid-In Capital | Unearned Compensation | Retained Earnings |   |                 |
| Balance as of January 1, 2007                    | 357,815,700  | (Won) 1,789,079 | (Won) 2,251,112            | (Won) (4,166)         | (Won) 2,849,912   | (Won) (12,367)                                | (Won) 6,873,570 |
| Stock compensation expense                       |              |                 |                            | 1,214                 |                   |   | 1,214           |
| Comprehensive income:                            |              |                 |                            |                       |                   |   |                 |
| Net income                                       |              |                 |                            |                       | 93,027            |   | 93,027          |
| Cumulative translation adjustment                |              |                 |                            |                       |                   | 8,121   | 8,121           |
| Net unrealized loss on derivative, net of tax    |              |                 |                            |                       |                   | (11,104)                                      | (11,104)        |
| Total comprehensive income                       |              |                 |                            |                       |                   |   | 90,044          |
| Balance as of June 30, 2007                      | 357,815,700  | (Won) 1,789,079 | (Won) 2,251,112            | (Won) (2,952)         | (Won) 2,942,939   | (Won) (15,350)                                | (Won) 6,964,828 |
| Balance as of January 1, 2008                    | 357,815,700  | (Won) 1,789,079 | (Won) 2,251,112            | (Won) (1,475)         | (Won) 4,194,291   | (Won) 15,686                                  | (Won) 8,248,693 |
| Stock compensation expense                       |              |                 |                            | 1,475                 |                   |   | 1,475           |
| Payment of dividend                              |              |                 |                            |                       | (268,362)         |   | (268,362)       |
| Change in conversion price of convertible bond   |              |                 | 2,332                      |                       |                   |   | 2,332           |
| Comprehensive income:                            |              |                 |                            |                       |                   |   |                 |
| Net income                                       |              |                 |                            |                       | 1,418,572         |   | 1,418,572       |
| Unrealized gain on available-for-sale securities |              |                 |                            |                       |                   | 12,360  | 12,360          |
| Cumulative translation adjustment                |              |                 |                            |                       |                   | 75,276  | 75,276          |
| Net unrealized loss on derivative, net of tax    |              |                 |                            |                       |                   | (28,037)                                      | (28,037)        |

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

Total comprehensive income 1,478,171

Balance as of June 30, 2008 357,815,700 (Won) 1,789,079 (Won) 2,253,444 (Won) (Won) 5,344,501 (Won) 75,285 (Won) 9,462,309

| (in thousands of U.S. dollars) (Note 1 (e))      | Common Stock |              | Capital Surplus            |                       | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total        |
|--|--------------|--------------|----------------------------|-----------------------|-------------------|---|--------------|
|  | Shares       | Amount       | Additional Paid-In Capital | Unearned Compensation |                   |   |              |
| Balance as of January 1, 2008                    | 357,815,700  | \$ 1,709,093 | \$ 2,150,470               | \$ (1,409)            | \$ 4,006,774      | \$ 14,985                                     | \$ 7,879,913 |
| Stock compensation expense                       |              |              |                            | 1,409                 |                   |   | 1,409        |
| Payment of dividend                              |              |              |                            |                       | (256,364)         |   | (256,364)    |
| Change in conversion price of convertible bond   |              |              | 2,228                      |                       |                   |   | 2,228        |
| Comprehensive income:                            |              |              |                            |                       |                   |   |              |
| Net income                                       |              |              |                            |                       | 1,355,151         |   | 1,355,151    |
| Unrealized gain on available-for-sale securities |              |              |                            |                       |                   | 11,807  | 11,807       |
| Cumulative translation adjustment                |              |              |                            |                       |                   | 71,911  | 71,911       |
| Net unrealized loss on derivative, net of tax    |              |              |                            |                       |                   | (26,784)                                      | (26,784)     |
| Total comprehensive income                       |              |              |                            |                       |                   |   | 1,412,085    |
| Balance as of June 30, 2008                      | 357,815,700  | \$ 1,709,093 | \$ 2,152,698               | \$                    | \$ 5,105,561      | \$ 71,919                                     | \$ 9,039,271 |

See accompanying notes to interim consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

## Interim Consolidated Statements of Cash Flows

(Unaudited)

Six-month periods ended June 30, 2007 and 2008

| (In millions of Korean Won, and thousands of U.S. dollars)     | 2007  |             | 2008  |             | 2008<br>(note 1(c)) |
|--|-------|-------------|-------|-------------|---------------------|
| <b>Cash flows from operating activities:</b>                   |       |             |       |             |                     |
| Net income   | (Won) | 93,027      | (Won) | 1,418,572   | \$ 1,355,151        |
| <b>Adjustments for:</b>  |       |             |       |             |                     |
| Depreciation   |       | 1,385,024   |       | 1,360,674   | 1,299,842           |
| Amortization of intangible assets                              |       | 3,813       |       | 7,661       | 7,318               |
| Loss on disposal of property, plant and equipment, net         |       | 2,106       |       | 86          | 82                  |
| Impairment losses on property, plant, and equipment            |       |             |       | 83          | 79                  |
| Loss (gain) on foreign currency translation, net               |       | (10,313)    |       | 114,579     | 109,456             |
| Amortization of discount on debentures                         |       | 17,499      |       | 13,396      | 12,797              |
| Provision for warranty reserve                                 |       | 31,084      |       | 41,761      | 39,894              |
| Provision for severance benefits                               |       | 39,444      |       | 45,113      | 43,096              |
| Deferred taxes   |       | (192,827)   |       | 72,131      | 68,906              |
| Minority interest  |       |             |       | 1           | 1                   |
| Others, net  |       | 4,028       |       | (6,998)     | (6,684)             |
| <b>Changes in operating assets and liabilities:</b>            |       |             |       |             |                     |
| Increase in accounts receivable                                |       | (619,271)   |       | (397,871)   | (380,083)           |
| Decrease (increase) in inventories                             |       | 90,424      |       | (563,011)   | (537,840)           |
| Decrease (increase) in other current assets                    |       | 1,826       |       | (102,433)   | (97,853)            |
| Increase in other non-current assets                           |       | (48,390)    |       | (26,538)    | (25,352)            |
| Increase in trade accounts payable                             |       | 32,090      |       | 112,274     | 107,254             |
| Increase (decrease) in other accounts payable                  |       | (85,953)    |       | 10,946      | 10,457              |
| Increase in accrued expenses                                   |       | 15,456      |       | 90,075      | 86,048              |
| Increase (decrease) in other current liabilities               |       | (18,669)    |       | 111,587     | 106,598             |
| Decrease in other non-current liabilities                      |       | (24,062)    |       | (7,796)     | (7,447)             |
| <b>Net cash provided by operating activities</b>               |       | 716,336     |       | 2,294,292   | 2,191,720           |
| <b>Cash flows from investing activities:</b>                   |       |             |       |             |                     |
| Acquisition of short-term financial instruments                |       |             |       | (2,845,000) | (2,717,807)         |
| Proceeds from disposal of short-term financial instruments     |       |             |       | 685,000     | 654,375             |
| Acquisition of available-for-sale securities                   |       |             |       | (96,260)    | (91,956)            |
| Acquisition of property, plant and equipment                   |       | (993,919)   |       | (764,533)   | (730,353)           |
| Proceeds from disposal of property, plant and equipment        |       | 847         |       | 1,879       | 1,795               |
| Acquisition of intangible assets                               |       | (12,091)    |       | (52,986)    | (50,617)            |
| Acquisition of equity method investments                       |       |             |       | (20,247)    | (19,342)            |
| Others, net  |       | 1,587       |       | (4,220)     | (4,031)             |
| <b>Net cash used in investing activities</b>                   |       | (1,003,576) |       | (3,096,367) | (2,957,936)         |
| <b>Cash flows from financing activities:</b>                   |       |             |       |             |                     |
| Proceeds from short-term borrowings, net                       |       | (236,576)   |       | 846,092     | 808,265             |
| Proceeds from issuance of long-term debts                      |       | 844,086     |       | 23,637      | 22,580              |
| Repayment of current portion of long-term debts and debentures |       | (35,708)    |       | (88,932)    | (84,956)            |

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

|   |                 |               |            |
|---|-----------------|---------------|------------|
| Early redemption of debentures                                      |                 | (49,526)      | (47,312)   |
| Increase in long-term other accounts payable                        |                 | 14,608        | 13,955     |
| Payment of dividend   |                 | (268,362)     | (256,364)  |
| <b>Net cash provided by financing activities</b>                    | 571,802         | 477,517       | 456,168    |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | (1,281)         | 18,169        | 17,357     |
| <b>Net increase (decrease) in cash and cash equivalents</b>         | 283,281         | (306,389)     | (292,691)  |
| Cash and cash equivalents at beginning of period                    | 954,362         | 1,196,423     | 1,142,934  |
| <b>Cash and cash equivalents at end of period</b>                   | (Won) 1,237,643 | (Won) 890,034 | \$ 850,243 |

See accompanying notes to interim consolidated financial statements.

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**1. Summary of Significant Accounting Policies**

**(a) *Basis of Presentation***

The unaudited interim consolidated financial statements of LG Display Co., Ltd. (formerly, LG.Philips LCD Co., Ltd.) ( LGD ) and its subsidiaries (collectively, the Company ) have been prepared in accordance with generally accepted accounting principles in the United States of America ( U.S. GAAP ) for the preparation of interim financial information. They do not include all information and notes required by U.S. GAAP in the preparation of annual consolidated financial statements. The information furnished in these unaudited interim statements reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed. The results of operations in the interim statements do not necessarily indicate the results that may be expected for the full year. The accounting policies used in the preparation of the unaudited consolidated financial statements are the same as those described in LGD 's audited consolidated financial statements prepared in accordance with U.S. GAAP for the year ended December 31, 2007 except as discussed in note 2. The consolidated balance sheet as of December 31, 2007 is derived from the December 31, 2007 audited financial statements.

Toshiba Corporation ( Toshiba ) acquired 20% of LG Display Poland Sp. zo.o. (formerly, LG.Philips LCD Poland Sp. zo.o.) in December 2007. With the acquisition of the 20% interest, Toshiba and the Company entered into a derivative contract that is indexed to LG Display Poland Sp. zo.o. 's equity shares. According to the contract, LGD has a call option to buy Toshiba 's 20% interest in LG Display Poland Sp. zo.o. and Toshiba has a put option to sell its 20% interest in LG Display Poland Sp. zo.o. to LGD under the same terms, that is, the price of the call is equal to the price of the put option which is the total amount of Toshiba 's investment at cost. The call and put option is exercisable after five years from the date of acquisition and on each anniversary thereafter with no stated expiry date in whole or in part. In accordance with EITF 00-4, *Majority Owner 's Accounting for a Transaction in the Shares of a Consolidated Subsidiary and a Derivative Indexed to the Minority Interest in That Subsidiary*, LG Display Poland Sp. Zo.o is consolidated as a wholly owned subsidiary and Toshiba 's 20% interest in LG Display Poland Sp. zo.o. is accounted for as a financing by the Company and recorded as long-term other accounts payable in the amount of W39,144 million as of June 30, 2008.

Skyworth TV Holdings Limited ( Skyworth ) acquired 16% of LG Display Guangzhou Co., Ltd. (formerly, LG.Philips LCD Guangzhou Co., Ltd.) in June 2008. With the acquisition of the 16% interest, Skyworth and the Company entered into a derivative contract that is indexed to LG Display Guangzhou Co., Ltd. 's equity shares. According to the contract, LGD has a call option to buy Skyworth 's 16% interest in LG Display Guangzhou Co., Ltd. and Skyworth has a put option to sell its 16% interest in LG Display Guangzhou Co., Ltd. to LGD under the same terms, that is, the price of the call is equal to the price of the put option which is the total amount of Skyworth 's investment at cost. The call and put option is exercisable after five years from the date of acquisition with no stated expiry date in whole or in part. In accordance with EITF 00-4, *Majority*

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

*Owner's Accounting for a Transaction in the Shares of a Consolidated Subsidiary and a Derivative Indexed to the Minority Interest in That Subsidiary*, LG Display Guangzhou Co., Ltd. is consolidated as a wholly owned subsidiary and Skyworth's 16% interest in LG Display Guangzhou Co., Ltd. is accounted for as a financing by the Company and recorded as long-term other accounts payable in the amount of (Won)11,635 million as of June 30, 2008.

**(b) Use of Estimates**

The preparation of the interim consolidated financial statements, in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**(c) United States Dollar Amounts**

The Company operates primarily in Korea and its financial accounting records are maintained in Korean Won. These translations should not be construed as a representation that the Korean Won amounts shown could be converted, realized or settled in U.S. dollars at this or any other rate. The U.S. dollar amounts are provided herein as supplemental information solely for the convenience of the reader. Korean Won amounts are expressed in U.S. dollars at the rate of (Won)1,046.8 to USD 1, the U.S. Federal Reserve Bank of New York noon buying exchange rate in effect on June 30, 2008. The U.S. dollar amounts are unaudited and are not presented in accordance with generally accepted accounting principles in either Korea or the United States of America.

**(d) Recent Accounting Pronouncements**

In December 2007, the FASB issued Statement of Financial Accounting Standards ( SFAS ) No. 141(R), *Business Combinations*. SFAS No. 141(R) establishes principles and requirements for how the acquirer in business combinations should recognize and measure identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company is currently in the process of evaluating the impact, if any, of adopting this standard.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements - An amendment of ARB No. 51*. SFAS No. 160 requires that ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statements of financial position within equity, but separate from the parent's equity. It also requires companies to clearly identify and present on the face of the consolidated statements of income, the amount of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The adoption of SFAS No. 160 will result in the reclassification of minority interests from long-term liabilities to

---

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

stockholders' equity. The balance at June 30, 2008 was (Won)87 million. The Company does not believe the adoption of SFAS No. 160 will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. The new standard is intended to help investors better understand how derivative instruments and hedging activities affect an entity's financial position, financial performance and cash flows through enhanced disclosure requirements. The enhanced disclosures include, for example:

a tabular summary of the fair value of derivative instruments and their gains and losses;

disclosure of derivative features that are credit-risk-related to provide more information regarding an entity's liquidity; and

cross-referencing within footnotes to make it easier for financial statement users to locate important information about derivative instruments.

SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently in the process of evaluating the impact, if any, of adopting this standard.

In April 2008, the FASB issued FASB Staff Position (FSP) FAS 142-3, *Determination of the Useful Life of Intangible Assets*. This FASB Staff Position (FSP) amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. This FSP requires the following additional disclosures to be applied prospectively to all intangible assets.

The entity's accounting policy on the treatment of costs incurred to renew or extend the term of a recognized intangible asset.

In the period of acquisition or renewal, the weighted-average period prior to the next renewal or extension (both explicit and implicit), by major intangible asset class.

For an entity that capitalizes renewal or extension costs, the total amount of costs incurred in the period to renew or extend the term of a recognized intangible asset for each period for which a statement of financial position is presented, by major intangible asset class.

If the effect of a change in either an intangible asset's useful life or the expected likelihood of its renewal or extension would be material to the financial statements the criteria in AICPA Statement of Position (SOP) 94-6, *Disclosure of Certain Significant Risks and Uncertainties*, shall be considered met. Accordingly, an entity is required to provide disclosures about an estimate.



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

This FSP shall be effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company is currently in the process of evaluating the impact, if any, of adopting this FSP.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**2. Accounting Changes**

Effective January 1, 2008, the Company adopted SFAS No. 157, *Fair Value Measurement*, and SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* including an amendment of FASB Statement No. 115.

The adoption of SFAS No. 157 and SFAS No. 159 did not have any effect on the Company's consolidated financial statements at the date of adoption. For additional information, see Note 16 Fair Value of Assets and Liabilities.

**3. Accounts Receivable**

The Company's accounts receivable, including trade accounts and notes receivable as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i> | <b>2007</b>     | <b>2008</b> |
|------------------------------------|-----------------|-------------|
| Trade                              | (Won) 1,574,240 | 1,786,280   |
| Due from affiliates                | 774,467         | 1,046,008   |
| Others                             | 98,341          | 53,435      |
|                                    | 2,447,048       | 2,885,723   |
| Allowance for doubtful accounts    | (10,260)        | (12,804)    |
|                                    | (Won) 2,436,788 | 2,872,919   |

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**4. Available-for-sale Securities**

Available-for-sale securities as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i> | Acquisition<br>Cost | Fair value | Carrying amount |         |
|------------------------------------|---------------------|------------|-----------------|---------|
|                                    |                     |            | 2007            | 2008    |
| <b>Debt securities:</b>            |                     |            |                 |         |
| HannStar Display Corporation(*)    | (Won) 96,249        | 113,297    |                 | 113,297 |
| Government bonds                   | 74                  | 74         | 63              | 74      |
| <b>Equity securities:</b>          |                     |            |                 |         |
| Others                             |                     |            | 1               |         |
|                                    | (Won) 96,323        | 113,371    | 64              | 113,371 |

(\*) The Company purchased 180 million shares of non-voting mandatorily redeemable convertible preferred stock. The preferred stocks are convertible into common stocks of HannStar Display Corporation at a ratio of 1:1 at the option of the Company from issue date (February 28, 2008) to maturity (February 28, 2011). The Company has a put option for total or partial cash redemption of convertible preferred stocks during the period between 18 months from issuance to 91 days prior to maturity and the issuer has a call option to repay, in cash, total preferred stocks during the period between 2 years from issuance to 90 days prior to maturity. The abovementioned convertible preferred stocks have been privately issued under the Taiwanese Law, which restricts the sale of the preferred stocks and the stocks acquired through conversion are not to be traded in the Taiwanese stock exchange until the original maturity of the preferred stocks.

**5. Inventories**

Inventories as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i> | 2007          | 2008      |
|------------------------------------|---------------|-----------|
| Finished goods                     | (Won) 453,034 | 779,915   |
| Merchandise                        |               | 1,670     |
| Work-in-process                    | 208,668       | 418,418   |
| Raw materials                      | 108,048       | 141,763   |
| Supplies                           | 54,174        | 45,169    |
|                                    | (Won) 823,924 | 1,386,935 |

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**6. Investment in Equity Securities**

During the three-month period ended June 30, 2008, the Company acquired 1,008,875 common shares (13.0%) and 2,037,204 common shares (19.9%) of TLI Inc. and AVACO Co., Ltd. at (Won)14,074 million and (Won)6,173 million, respectively. Although the Company's share interests in these investees are below 20%, the Company is able to exercise significant influence through its right to assign a director in the board of directors of the investees and the Company is a significant customer of the investees. Accordingly, the investments in these investees have been accounted for using the equity method.

**7. Derivative Instruments and Hedging Activities**

**Derivatives for cash flow hedge**

During the six-month periods ended June 30, 2007 and 2008, 182 and 138 foreign currency forward contracts were designated as cash flow hedges, respectively. During the six-month periods ended June 30, 2007 and 2008, these cash flow hedges were fully effective and changes in the fair value of the derivatives of (Won)4,498 million and (Won)(44,889) million, respectively, were recorded in other comprehensive income. The deferred loss of (Won)32,545 million, net of tax, for derivatives designated as cash flow hedges are expected to be reclassified into earnings within the next twelve months.

**Derivatives for trading**

For the six-month periods ended June 30, 2007 and 2008, the Company recorded realized net exchange loss of (Won)6,491 million and (Won)103,223 million, respectively, on derivative contracts designated for trading upon settlement.

In addition, for the six-month periods ended June 30, 2007 and 2008, the Company recorded net unrealized gain of (Won)280 million and loss of (Won)25,231 million, respectively, relating to these derivative contracts designated for trading.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**8. Property, Plant and Equipment**

Property, plant and equipment as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i>      | 2007            | 2008         |
|---|-----------------|--------------|
| Land                                    | (Won) 342,253   | 392,594      |
| Buildings                               | 2,615,087       | 2,742,751    |
| Machinery and equipment                 | 14,842,378      | 15,144,555   |
| Tools, furniture, fixtures and vehicles | 708,741         | 727,605      |
| Machinery-in-transit                    | 19,422          | 188,879      |
| Construction-in-progress                | 753,249         | 1,380,311    |
|   | 19,281,130      | 20,576,695   |
| Accumulated depreciation                | (11,689,476)    | (13,046,098) |
|   | (Won) 7,591,654 | 7,530,597    |

**9. Short-Term Borrowings**

Short-term borrowings as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i>             | 2007        | 2008    |
|--|-------------|---------|
| Export bill discount, principally from banks : |             |         |
| with interest rate of LIBOR + 0.60 ~ 0.80 %    | (Won)       | 839,943 |
| Loans, principally from banks:                 |             |         |
| with interest rate of TIBOR + 0.39 ~ 0.40 %    | 4,660       | 10,809  |
|  | (Won) 4,660 | 850,752 |

**10. Long-Term Debt**

Long-term debt as of December 31, 2007 and June 30, 2008 are as follows:

| <i>(in millions of Korean Won)</i>                              | 2007          | 2008   |
|---|---------------|--------|
| <b>Won denominated debt :</b>                                   |               |        |
| Unsecured loans, representing obligations principally to banks: |               |        |
| Due 2008 to 2010 with interest rate of 5.88% to 6.08% per annum | (Won) 109,117 | 81,983 |

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

Unsecured loans, representing obligation principally to banks:

|   |           |           |
|---|-----------|-----------|
| Due 2009 to 2015 with interest rate of 3 year Korean Treasury Bond -1.25% per annum | 18,982    | 18,982    |
| Unsecured bond with interest rate ranging from 3.50 % to 5.89%:                     |           |           |
| Due 2008 to 2011, net of unamortized discount                                       | 1,772,215 | 1,724,857 |
|   | 1,900,314 | 1,825,822 |

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

| <i>(in millions of Korean Won)</i>   | 2007            | 2008      |
|--|-----------------|-----------|
| <b>U.S. dollar denominated debt :</b>  |                 |           |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2008 to 2010 with interest rate of 6M LIBOR+0.50% per annum                                      | (Won) 127,279   | 112,988   |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2010 to 2011 with interest rate of 6M LIBOR+0.68% per annum                                      | 9,383           | 26,084    |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2008 with interest rate of 6M LIBOR+1.20% per annum  | 11,258          | 6,261     |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2008 with interest rates from 3M LIBOR+0.99% to 1.35% per annum                                  | 28,146          | 15,651    |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2011 with interest rate of 3M LIBOR+0.47% per annum  | 187,640         | 208,680   |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2011 with interest rate of 6M LIBOR+0.41% per annum  | 187,640         | 208,680   |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2011 with interest rate of 3M LIBOR+0.35% per annum  | 93,820          | 104,340   |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2010 to 2013 with interest rate of 6M LIBOR+0.69% per annum                                      | 46,910          | 52,170    |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2012 with interest rate of 3M LIBOR+0.66% per annum  | 131,348         | 146,076   |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2012 with interest rate of 3M LIBOR+0.53% per annum  | 93,820          | 104,340   |
| Zero Coupon Convertible Bond due 2012 (put year : 2010)  | 527,361         | 593,966   |
|  | 1,444,605       | 1,579,236 |
| <b>Euro denominated debt :</b>   |                 |           |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2010 to 2013 with interest rate 3M EURIBOR+0.60% per annum                                       | 95,726          | 115,185   |
| <b>Chinese Renminbi denominated debt :</b>   |                 |           |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2008 with interest rate of 90% of the Basic Rate published by the People's Bank of China         | 12,843          |           |
| Unsecured loans, representing obligations principally to banks:                                      |                 |           |
| Due 2010 to 2011 with interest rate of 95% of the Basic Rate published by the People's Bank of China |                 | 10,630    |
|  | 12,843          | 10,630    |
| Less : Current portion   | (409,236)       | (605,522) |
|  | (Won) 3,044,252 | 2,925,351 |

Based on the terms and conditions of the convertible bond due 2012, the conversion price was changed from (Won)49,070 to (Won)48,760 per share due to payment of cash dividends of (Won)750 per share for the year ended December 31, 2007.

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

The number of common shares to be issued if the outstanding convertible bonds are fully converted is 10,530,762 shares as of June 30, 2008.



**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**11. Income Taxes**

The Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of SFAS Statement 109* ( FIN 48 ) on January 1, 2007. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The adoption of FIN 48 did not have any impact on the Company's consolidated financial statements. The Company does not have any unrecognized tax positions as of June 30, 2008 and there has been no change since adoption.

The Company's primary tax jurisdictions are Korea, China, Japan, Germany, Poland and the United States. Open tax years of the Company are 5 years, 6 years, 1 year, 5 years, 3 years and 9 years in Korea, China, Japan, Germany, Poland and the United States, respectively. The Company has not made any provision for the disputed tax liabilities under SFAS No. 109 or FIN 48.

Management's policy is to recognize accrued interest on the underpayment of income taxes as a component of interest expense and penalties associated with tax liabilities as a component of income tax expense. However, there was no such interest or penalties incurred during the six-month period ended June, 30, 2008.

The valuation allowance for deferred tax assets as of January 1, 2007 was (Won)159,527 million, but there was no valuation allowance as of January 1, 2008. The net change in the total valuation allowance was a decrease of (Won)140,981 million during the six-month period ended June 30, 2007, but there was no change in the valuation allowance during the six-month period ended June 30, 2008. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

**12. Stockholders Equity**

On May 21, 2004, employees of the Company formed an employee stock ownership association, ( ESOA ), which has the right to purchase on behalf of its membership up to 20% (1,728,000 shares) of shares offered publicly in Korea, pursuant to the Korean Securities and Exchange Act. Employees purchased the shares through the ESOA with loans provided by the Company at the initial public offering price ((Won)34,500) and held under each individual employee's account. 20% of the 20% of shares (345,600 shares) purchased by employees with loans from the Company is accounted for as a restricted stock award which vests over four years. Unearned compensation, shown as a deduction of capital surplus, will be amortized over the 4-year vesting period. During the six-month periods ended June 30, 2007 and 2008, the Company recorded compensation expense of (Won)1,214 million and (Won)1,475 million, respectively.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**13. Stock Option Plan**

Effective January 1, 2005, the Company adopted the provisions of SFAS No. 123(R), *Share-Based Payment*. SFAS No. 123(R) establishes accounting for share-based awards exchanged for employee services. SFAS No. 123(R) requires that an award that is classified as a liability to be initially measured at its grant date fair value and remeasured at fair value at the end of each reporting period until the award is settled or expired. The measurement is based on the current stock price and other relevant factors. The difference between the fair value amounts is recognized as compensation expense during the requisite service period, based on the percentage of the requisite service that the employee has rendered as of that date. In accordance with SFAS No. 123(R), compensation expense is remeasured at each reporting date, based on the fair value of the award, and is recognized as expense over the employee requisite service period.

On April 7, 2005, the Company granted 450,000 shares of stock appreciations rights ( SARs ) for selected management. Under the terms of this plan, management, upon exercise, receives cash equal to the amount that the market price of the Company's common stock exceeds the strike price ((Won)44,050) of the SARs. The vesting period is two years starting from the grant date, and exercise period is April 8, 2008 through April 7, 2012.

The following table shows total share-based compensation expense included in the consolidated statement of income for the three-month and six-month periods ended June 30, 2007 and 2008:

| <i>(in millions of Korean Won)</i>         | <b>Three Months</b>            |             | <b>Six Months</b>              |             |
|--|--------------------------------|-------------|--------------------------------|-------------|
|  | <b>Ended June 30,<br/>2007</b> | <b>2008</b> | <b>Ended June 30,<br/>2007</b> | <b>2008</b> |
| Cost of goods sold                         | (Won) 494                      |             | 494                            |             |
| Selling general and administrative expense | 1,111                          | (1,694)     | 2,245                          | (4,495)     |
|  | (Won) 1,605                    | (1,694)     | 2,739                          | (4,495)     |

There were no capitalized share-based compensation costs for the six-month periods ended June 30, 2007 and 2008.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

## Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

The following tables summarize option activity under the SARs for the six-month period ended June 30, 2008:

|                              | Weighted-<br>average<br>exercise price<br>(in Korean<br>Won) | Number of<br>shares under<br>option | Weighted-<br>average<br>remaining<br>contractual<br>life<br>(in years) |
|------------------------------|--|-------------------------------------|--|
| Balance at December 31, 2007 | (Won) 44,050   | 220,000                             | 4.3  |
| Options granted              |  |                                     |  |
| Options exercised            |  |                                     |  |
| Options cancelled            |  | (110,000)                           |  |
| Balance at June 30, 2008     | (Won) 44,050   | 110,000                             | 3.8  |
| Exercisable at June 30, 2008 | (Won)  | 110,000                             |  |

If the increase rate 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 initially granted SARs are exercisable. 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. As a result, as of June 30, 2008, only 110,000 SARs are exercisable.

In connection with the adoption of SFAS No. 123(R), the Company assessed its valuation technique and related assumptions. The Company estimates the fair value of SARs using a Black-Scholes valuation model, consistent with the provisions of SFAS No. 123(R) and Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 107. Key input assumptions used to estimate the fair value of SARs include the grant price of the award, the expected option term, volatility of the Company's stock, the risk-free rate and the Company's dividend yield. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by selected members of management who receive SARs, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company under SFAS No. 123(R).

The fair value of SARs as of June 30, 2007 and 2008, was estimated using a Black-Scholes valuation model with the following assumptions:

|  | 2007         | 2008        |
|--|--------------|-------------|
| Volatility                                       | 47.69%       | 30.04%      |
| Risk-free interest rate (Korean government bond) | 5.38%        | 5.63%       |
| Dividend yield                                   | 0%           | 0%          |
| Weighted-average fair value per SAR granted      | (Won) 19,152 | (Won) 5,937 |

Volatility is measured using historical weekly price changes of the Company's stock over the respective term of the SARs.

The number of years that the Company estimates the SARs will be outstanding prior to settlement as of June 30, 2008, is 1.8 years.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**14. Earnings Per Share**

- (a) Basic earnings per share for the three-month and six-month periods ended June 30, 2007 and 2008 were as follows:

| <i>(in millions of Korean Won, except for share data)</i> | <b>Three Months<br/>Ended June 30,</b> |             | <b>Six Months<br/>Ended June 30,</b> |             |
|---|--|-------------|--------------------------------------|-------------|
|   | <b>2007</b>                            | <b>2008</b> | <b>2007</b>                          | <b>2008</b> |
| Net income  | (Won) 262,268                          | 745,430     | 93,027                               | 1,418,572   |
| Weighted-average number of common shares outstanding      | 357,815,700                            | 357,815,700 | 357,815,700                          | 357,815,700 |
| Earnings per share  | (Won) 733                              | 2,083       | 260                                  | 3,965       |

- (b) Diluted earnings per share for the three month and six-month periods ended June 30, 2007 and 2008 was as follows:

| <i>(in millions of Korean Won, except for share data)</i>  | <b>Three Months<br/>Ended June 30,</b> |             | <b>Six Months<br/>Ended June 30,</b> |             |
|--|--|-------------|--------------------------------------|-------------|
|  | <b>2007</b>                            | <b>2008</b> | <b>2007(*)</b>                       | <b>2008</b> |
| Net income <sup>(1)</sup>  | (Won) 267,663                          | 749,221     | 93,027                               | 1,425,640   |
| Weighted-average number of common shares outstanding and common shares equivalent <sup>(2)</sup> | 374,601,758                            | 368,346,462 | 357,815,700                          | 368,346,462 |
| Diluted earnings per share   | (Won) 715                              | 2,034       | 260                                  | 3,870       |

- (1) Adjustments to net income:

| <i>(in millions of Korean Won)</i>                | <b>Three Months<br/>Ended June 30,</b> |             | <b>Six Months<br/>Ended June 30,</b> |             |
|---|--|-------------|--------------------------------------|-------------|
|   | <b>2007</b>                            | <b>2008</b> | <b>2007(*)</b>                       | <b>2008</b> |
| Net income  | (Won) 262,268                          | 745,430     | 93,027                               | 1,418,572   |
| Interest expense of convertible bonds, net of tax | 5,395                                  | 3,791       |                                      | 7,068       |
| Adjusted income                                   | (Won) 267,663                          | 749,221     | 93,027                               | 1,425,640   |

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

## Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

- (2) Weighted-average number of common shares outstanding:

| <i>(in shares)</i>  | Three Months<br>Ended June 30, |             | Six Months<br>Ended June 30, |             |
|---|--------------------------------|-------------|------------------------------|-------------|
|   | 2007                           | 2008        | 2007(*)                      | 2008        |
| Weighted-average number of common shares  | 357,815,700                    | 357,815,700 | 357,815,700                  | 357,815,700 |
| Effect of conversion of convertible bonds   | 16,786,058                     | 10,530,762  |                              | 10,530,762  |
| Weighted average number of common shares and common shares equivalent at June 30, 2007 and 2008 | 374,601,758                    | 368,346,462 | 357,815,700                  | 368,346,462 |

- (\*) Diluted earnings per share for the six-month period ended June 30, 2007 was identical to basic earnings per share as the conversion of convertible bonds would have an anti-dilutive effect.

**15. Commitments and Contingencies**

- (a) Commitments

**Overdraft agreements and credit facility agreement**

As of June 30, 2008, the Company has bank overdraft agreements with Woori Bank and various other banks amounting to (Won)59,000 million and has a revolving credit facility agreement with several banks totaling (Won)100,000 million and USD100 million. There is no outstanding balance as of June 30, 2008.

LG Display America, Inc. and other subsidiaries have entered into short-term facility agreements of up to USD57 million, EUR3.6 million, and JPY5,200 million with Comerica Bank and other various banks. As of June 30, 2008, JPY1,101 million of short-term borrowing is outstanding in relation to the abovementioned agreements.

**Factoring and securitization of accounts receivable**

As of June 30, 2008, the Company has agreements with Korea Development Bank and several other banks for U.S. dollar denominated accounts receivable negotiating facilities with recourse of up to an aggregate of USD1,596.5 million. Certain trade accounts and notes receivable due from the subsidiaries to LGD arising from export sales were sold to banks under the agreements above. Of the total trade accounts receivable sold under the programs, (Won)839,943 million are outstanding and current as of June 30, 2008. The transferred accounts receivable was recorded as short-term borrowings.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

In October 2006, LG Display America, Inc. (formerly, LG.Philips LCD America, Inc.), LG Display Germany GmbH (formerly, LG.Philips LCD Germany GmbH), LG Display Shanghai Co., Ltd. (formerly, LG.Philips LCD Shanghai Co., Ltd.) and LG Display Hong Kong Co., Ltd. (formerly, LG.Philips LCD Hong Kong Co., Ltd.), entered into a five-year accounts receivable selling program with Standard Chartered Bank, selling accounts receivable on a revolving basis, of up to USD600 million. LGD joined this program in April 2007. For the six-month period ended June 30, 2008, no accounts and notes receivable were sold that are past due.

In September 2006, LG Display Taiwan Co., Ltd. entered into accounts receivable selling program with ChinaTrust Bank and another bank of up to USD587.5 million. At June 30, 2008, no accounts and notes receivable were sold that are past due.

**Letters of credit**

As of June 30, 2008, LGD has agreements with Korea Exchange Bank and several other banks in relation to the opening of letters of credit amounting to (Won)90,000 million and USD35.5 million. There is no outstanding balance as of June 30, 2008.

**Payment guarantees**

LGD receives repayment guarantees from ABN AMRO Bank amounting to USD8.5 million relating to tax payments in Poland. As of June 30, 2008, LGD entered into a payment guarantee agreement with a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR70 million term loan credit facility of LG Display Poland Sp. zo.o. As of June 30, 2008, EUR70 million of long-term debt is outstanding in relation to the abovementioned agreement.

LG Display Japan Co., Ltd. and LG Display Taiwan Co., Ltd. are provided with repayment guarantees from Bank of Tokyo-Mitsubishi and ABN AMRO Bank amounting to JPY1,300 million and USD4 million, respectively, relating to their local tax payments.

**License agreements**

As of June 30, 2008, in relation to its Thin Film Transistor Liquid Crystal Display ( TFT-LCD ) business, LGD has technical license agreements with Hitachi, Ltd. and others, and has a trademark license agreement with LG Corporation. On June 30, 2008, the license agreement with Koninklijke Philips Electronics N.V. was terminated.

**(b) Contingencies**

As of June 30, 2008, LGD is involved in several legal proceedings and claims arising in the ordinary course of business. The Company's management does not expect that the outcome in these legal proceedings and claims, individually or collectively, will have any material adverse effect on the Company's financial condition, results of operations or cash flows.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

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

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

**Intervention in Positive Technologies, Inc.'s patent infringement lawsuit**

On April 14, 2006, Positive Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against, among others, several of the Company's customers, including BenQ America Corp., Hitachi America Ltd., Panasonic Corp. of North America, Philips Electronics North America Corp. and Toshiba America, Inc. for alleged infringement of two of its patents relating to LCD displays. Positive Technologies, Inc. is seeking, among other things, damages for past infringement. On March 7, 2007, the United States District Court for the Eastern District of Texas granted the Company's intervention in the patent infringement case brought by Positive Technologies, Inc.

**Anvik Corporation's lawsuit of infringement of patent**

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Company, along with other LCD manufacturing companies, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation.

**Investigation on anti-competitive activities by authorities in Korea, Japan and U.S.**

The Company is currently under investigation by the fair trade or antitrust authorities in Korea, Japan, US and other markets with respect to possible anti-competitive activities in the LCD industry. As of June 30, 2008, the Company, along with a number of other companies in the LCD industry, has been named as defendants in a number of purported federal class actions in the United States alleging that the defendants violated the antitrust laws in connection with the sale of LCD panels. In February 2007, the Company and certain of its officers and directors have been named as defendants in a federal class action in the United States by the shareholders of the Company alleging violations of the U.S. Securities Exchange Act of 1934, as amended, by the Company and certain of its officers and directors in connection with possible anti-competitive activities in the LCD industry. The Company and the officers and directors intend to defend themselves vigorously in this matter.

While the Company intends to defend each of the abovementioned suits vigorously, it is too early in the proceedings to evaluate the probability of a favorable or unfavorable outcome of the actions, or to estimate the potential loss, if any.

---

**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**Investment agreement with Polish Government**

The Company acquired land at EUR 1 and received cash grants which are intended to be used for the construction of a plant according to an investment agreement with the Polish Government. The land was recognized at the fair value at acquisition date, amounting to PLN57,413 thousand ((Won)28,166 million) and the corresponding amount was recorded as long-term unearned income. The cash grants amounting to PLN40,005 thousand ((Won)19,626 million) were also recorded as long-term unearned income due to the repayment contingency to be determined in 2012 based on the level of employment and investment.

**16. Fair Value of Assets and Liabilities**

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Available-for-sale securities, derivatives and long-term debt including the current portion are recorded at fair value on a recurring basis.

Effective January 1, 2008, upon adoption of SFAS No. 159, the Company may elect to use fair value to measure eligible items at specified election dates and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. However, as of June 30, 2008, the Company did not elect to measure any eligible assets or liabilities at fair value in accordance with the Standard.

SFAS No. 157 defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. Additionally, SFAS No. 157 amended SFAS No. 107, *Disclosure about Fair Value of Financial Instruments* ( SFAS No. 107 ), and as such, the Company follows SFAS No. 157 in determination of SFAS No. 107 fair value disclosure amounts. The disclosures required under SFAS No. 157 and SFAS No. 107 has been included in this note. However, as of June 30, 2008, the Company has deferred the application of SFAS No. 157 for its nonfinancial assets and liabilities.

**Fair Value Hierarchy**

Under SFAS No. 157, the Company groups its assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect the Company's own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.



**Table of Contents**

**LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**Determination of Fair Value**

Under SFAS No. 157, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy in SFAS No. 157.

Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon the Company's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value for financial instruments not recorded at fair value (SFAS No. 107 disclosures).

**Assets**

**Available-for-sale securities**

Available-for-sale securities are recorded at fair value on a recurring basis. Fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating and other factors such as credit loss assumptions.

**Derivatives**

The Company measures fair value of derivatives using internally developed models that use primarily market observable inputs, such as yield curves and option volatilities, and, accordingly, classify as Level 2. Examples of Level 2 derivatives are basic interest rate swaps and forward contracts.

**Liabilities**

**Long-term debt and payables**

Long-term debt is carried at amortized cost. However, the Company is required to estimate the fair value of long-term debt and payables under SFAS No. 107. Generally, the discounted cash flow method is used to estimate the fair value of the Company's long-term debt and payables. Contractual cash flows are discounted using rates currently traded for the bonds with similar remaining maturities and, as such, these discount rates include the Company's current spread levels.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The table below presents the amounts of assets and liabilities measured at fair value on a recurring basis as of June 30, 2008.

| <i>(in millions of Korean Won)</i> | <b>Total</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|------------------------------------|---------------|----------------|----------------|----------------|
| Available-for-sale securities      | (Won) 113,371 |                | 113,371        |                |
| Derivatives, net                   | (82,550)      |                | (82,550)       |                |

**Fair Value of Financial Instruments**

The table below is a summary of fair value estimates as of December 31, 2007 and June 30, 2008, for financial instruments, as defined by SFAS No. 107, excluding short-term financial assets and liabilities, for which carrying amounts approximate fair value, and excluding financial instruments recorded at fair value on a recurring basis. The carrying amounts in the following table are recorded in the consolidated balance sheet under the indicated captions.

| <i>(in millions of Korean Won)</i>           | <b>2007</b>            |                             | <b>2008</b>            |                             |
|--|------------------------|-----------------------------|------------------------|-----------------------------|
|  | <b>Carrying amount</b> | <b>Estimated fair value</b> | <b>Carrying amount</b> | <b>Estimated fair value</b> |
| Long-term debt including the current portion | (Won) 3,453,488        | 3,234,667                   | 3,530,873              | 3,210,798                   |
| Long-term other accounts payable             | (Won) 31,046           | 31,046                      | 52,350                 | 50,995                      |

In accordance with SFAS No. 107, the Company has not included assets and liabilities that are not financial instruments in this disclosure.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

**17. Segment Information**

The Company has one reportable business segment, the manufacture and sale of TFT-LCDs and other flat panel displays. The following is a summary of operations by country based on the location of the customer, where the Company's products are shipped to, as of and for the three-month and six-month periods ended June 30, 2007 and 2008.

**By Geography**

| <i>(in millions of Korean Won)</i>      | <b>Three Months</b>   |             | <b>Six Months</b>     |             |
|---|-----------------------|-------------|-----------------------|-------------|
|   | <b>Ended June 30,</b> |             | <b>Ended June 30,</b> |             |
|   | <b>2007</b>           | <b>2008</b> | <b>2007</b>           | <b>2008</b> |
| <b>Revenue from external customers:</b> |                       |             |                       |             |
| Republic of Korea                       | (Won) 227,883         | 300,908     | 446,491               | 581,885     |
| China                                   | 1,698,393             | 2,237,350   | 3,102,725             | 4,518,475   |
| Asia                                    | 416,005               | 528,186     | 703,700               | 896,361     |
| America                                 | 392,069               | 606,149     | 630,958               | 978,269     |
| Europe                                  | 577,198               | 483,780     | 1,053,451             | 1,180,589   |
| Others                                  | 43,033                | 54,973      | 139,712               | 91,378      |
| Total                                   | (Won) 3,354,581       | 4,211,346   | 6,077,037             | 8,246,957   |

During the six-month periods ended June 30, 2007 and 2008, the Company's revenue from its three largest customers, LG Electronics, Philips Electronics and Hewlett-Packard accounted for 42.6% and 43.0% of total revenue, respectively. Sales to LG Electronics constituted 19.9% and 20.6% of total revenue, for the six-month periods ended June 30, 2007 and 2008, respectively. Sales to Philips Electronics constituted 13.6% and 11.3% of total revenue for the six-month periods ended June 30, 2007 and 2008, respectively. Sales to Hewlett-Packard constituted 9.1% and 11.1% of total revenue for the six-month periods ended June 30, 2007 and 2008, respectively.

Approximately 93% of the Company's total assets are located in the Republic of Korea.

The Company purchases a number of components from various sources. In some cases, alternative sources of supply are not available. In other cases, the Company may establish a working relationship with a single source, even when multiple suppliers are available, if the Company believes it is advantageous to do so due to performance, quality, support, delivery, capacity or price considerations. If the supply of a critical material or component were delayed or curtailed, the Company's ability to ship the related product in desired quantities and in a timely manner could be adversely affected. Even where alternative sources of supply are available, qualification of the alternative suppliers and establishment of reliable supplies could result in delays and a possible loss of sales, which could adversely affect operating results.

**Table of Contents****LG DISPLAY CO., LTD. (Formerly, LG.Philips LCD Co., Ltd.) AND SUBSIDIARIES**

Notes to Interim Consolidated Financial Statements

(Unaudited)

June 30, 2007 and 2008

The following is a summary of revenue by product for the three-month and six-month periods ended June 30, 2007 and 2008:

**By Product**

| <i>(in millions of Korean Won)</i> | <b>Three Months<br/>Ended June 30,</b> |               | <b>Six Months<br/>Ended June 30,</b> |               |
|------------------------------------|--|---------------|--------------------------------------|---------------|
|                                    | <b>2007</b>                            | <b>2008</b>   | <b>2007</b>                          | <b>2008</b>   |
| <b>Panels for:</b>                 |  |               |                                      |               |
| TFT-LCD televisions                | (Won) 1,598,388                        | 1,809,744     | 2,800,496                            | 3,585,869     |
| Desktop monitors                   | 913,048                                | 1,129,479     | 1,657,534                            | 2,197,688     |
| Notebook computers                 | 715,300                                | 1,088,882     | 1,314,935                            | 2,074,677     |
| Others                             | 127,845                                | 183,241       | 304,072                              | 388,723       |
| <br>Total                          | <br>(Won) 3,354,581                    | <br>4,211,346 | <br>6,077,037                        | <br>8,246,957 |

**18. Supplemental Cash Flows Information**

Significant transactions not affecting cash flows for the six-month periods ended June 30, 2007 and 2008 are as follows:

| <i>(in millions of Korean Won)</i>   | <b>2007</b>     | <b>2008</b> |
|--|-----------------|-------------|
| <b>Non-cash investing and financing activities:</b>  |                 |             |
| Changes in other accounts payable arising from the purchase of property, plant and equipment | (Won) (404,920) | 372,587     |

Interest payments for the six-month periods ended June 30, 2007 and 2008 were (Won)110,092 million and (Won)78,568 million, respectively.  
Income taxes paid for the six-month periods ended June 30, 2007 and 2008 were (Won)11,052 million and (Won)52,354 million, respectively.

**Table of Contents**

**SIGNATURES**

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

LG Display Co., Ltd.

(Registrant)

Date: August 14, 2008

By: /s/ Dong Joo Kim

(Signature)

Name: Dong Joo Kim

Title: Vice President/

Finance & Risk Management Department