

LG Display Co., Ltd.
Form 6-K
November 15, 2017
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2017

LG Display Co., Ltd.

(Translation of Registrant's name into English)

LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Republic of Korea

(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

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

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

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

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

Yes

No

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QUARTERLY REPORT

(From January 1, 2017 to September 30, 2017)

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

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

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

Our principal executive office is located at LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Republic of Korea, and our telephone number is +82-2-3777-1010. Our website address is <http://www.lgdisplay.com>.

B. Domestic credit rating**(1) Corporate bonds**

Subject instrument	Month of rating	Credit rating ⁽¹⁾	Rating agency (Rating range)
	April 2015		
	June 2016		
	September 2016	AA	NICE Information Service Co., Ltd. (AAA ~ D)
	May 2017		
Corporate bonds	April 2015		
	April 2016	AA	Korea Investors Service, Inc. (AAA ~ D)
	May 2017		
	October 2017		
	May 2015		
	April 2016		
	September 2016	AA	Korea Ratings Corporation (AAA ~ D)
	May 2017		
	October 2017		

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

Subject instrument	Credit rating	Definition
	AAA	Strongest capacity for timely repayment.
	AA+/AA/AA-	Very strong capacity for timely repayment. This capacity may, nevertheless, be slightly inferior than is the case for the highest rating category
	A+/A/A-	Strong capacity for timely repayment. This capacity may, nevertheless, be more vulnerable to adverse changes in circumstances or in economic conditions than is the case for higher rating categories.
Corporate bonds	BBB+/BBB/BBB-	

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	Capacity for timely repayment is adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+/BB/BB-	Capacity for timely repayment is currently adequate, but that there are some speculative characteristics that make the repayment uncertain over time.
B+/B/B-	Lack of adequate capacity for repayment and speculative characteristics. Interest payment in time of unfavorable economic conditions is uncertain.
CCC	Lack of capacity for even current repayment and high risk of default.
CC	Greater uncertainties than higher ratings.
C	High credit risk and lack of capacity for timely repayment.
D	Insolvency.

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(2) Commercial paper

Subject instrument	Month of rating	Credit rating ⁽¹⁾	Rating agency (Rating range)
	October 2015	A1	Korea Investors Service, Inc. (A1 ~ D)
	October 2015	A1	NICE Information Service Co., Ltd. (A1 ~ D)
	June 2016	A1	Korea Ratings Corporation (A1 ~ D)
	June 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
	September 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
Commercial paper	September 2016	A1	Korea Ratings Corporation (A1 ~ D)
	May 2017	A1	Korea Investors Service, Inc. (A1 ~ D)
	May 2017	A1	Korea Ratings Corporation (A1 ~ D)
	October 2017	A1	Korea Investors Service, Inc. (A1 ~ D)

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

Subject instrument	Credit rating	Definition
	A1	Timely repayment capability is at the highest level with extremely low investment risk and is stable such that it will not be influenced by any reasonably foreseeable changes in external factors.
	A2	Strong capacity for timely repayment with very low investment risk. This capacity may, nevertheless, be slightly inferior than is the case for the highest rating category.
Commercial paper	A3	Capacity for timely repayment is adequate with low investment risk. This capacity may, nevertheless, be somewhat influenced by sudden changes in external factors.
	B	Capacity for timely repayment is acknowledged, but there are some speculative characteristics.
	C	Capacity for timely repayment is questionable.
	D	Insolvency.

+ or - modifier can be attached to ratings A2 through B to differentiate ratings within broader rating categories.

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C. Capitalization

(1) Change in capital stock (as of September 30, 2017)

There were no changes to our issued capital stock during the quarterly reporting period ended September 30, 2017.

(2) Convertible bonds

Not applicable.

D. Voting rights (as of September 30, 2017)

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

(1) Authorized: 500,000,000 shares

E. Dividends

Dividends for the three most recent fiscal years

Description (unit)	2017 Q1~Q3	2016	2015
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Par value (Won)		5,000	5,000	5,000
Profit for the period (million Won) ⁽¹⁾		1,765,772	906,713	966,553
Earnings per share (Won) ⁽²⁾		4,935	2,534	2,701
Total cash dividend amount for the period (million Won)			178,908	178,908
Total stock dividend amount for the period (million Won)				
Cash dividend payout ratio (%) ⁽³⁾			19.73%	18.51%
Cash dividend yield (%) ⁽⁴⁾	Common shares		1.58%	1.97%
	Preferred shares			
Stock dividend yield (%)	Common shares			
	Preferred shares			
Cash dividend per share (Won)	Common shares		500	500
	Preferred shares			
Stock dividend per share (share)	Common shares			
	Preferred shares			

- (1) Based on profit for the period attributable to the owners of the controlling company.
- (2) Earnings per share is based on par value of ₩5,000 per share and is calculated by dividing net income by weighted average number of common shares.
- (3) Cash dividend payout ratio is the percentage that is derived by dividing total cash dividend by profit for the period attributable to the owners of the controlling company.

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- (4) Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common shares during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.

2. Business**A. Business overview**

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

As of September 30, 2017, in order to support our business activities, we operated TFT-LCD and OLED production and research facilities in Paju and Gumi in Korea, and we have also established subsidiaries in the Americas, Europe and Asia.

As of September 30, 2017, our business consisted of the manufacture and sale of display and display related products utilizing TFT-LCD, OLED and other technologies under a single reporting business segment.

2017 Q1~Q3 consolidated operating results highlights

	(Unit: In billions of Won)
2017 Q1~Q3	Display business
Sales Revenue	20,664
Gross Profit	4,489
Operating Profit	2,417

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

The entry barriers to manufacture display panels are relatively high due to the technology and capital intensive nature of the mass manufacturing process that is required to achieve economies of scale, among other factors.

While growth in the market for displays used in notebook computer, monitor and other traditional IT products has stagnated or declined, the market for small- and medium-sized displays (including those used in smartphones) in the rapidly evolving IT environment has shown steady growth. The display market for

televisions has also shown steady growth mainly due to growing demand from developing countries as well as from consumers in general for larger sized display panels. As for displays used in industrial, automobile and other value added products, we expect to see growth in these markets.

(2) Cyclical

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

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

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(3) Market conditions

Recently, various Chinese manufacturers have been actively reviewing making investments in ultra-large scale production facilities in order to secure competitiveness in the large display panel market. As a result, there is a concern regarding excessive competition in the LCD industry.

Most display panel manufacturers are located in Asia.

- a. Korea: LG Display, Samsung Display, etc.
- b. Taiwan: AU Optronics, Innolux, CPT, HannStar, etc.
- c. Japan: Japan Display, Sharp, Panasonic LCD, etc.
- d. China: BOE, CSOT, CEC Panda, etc.

(4) Market shares

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

	2017 Q1~Q3	2016	2015
Panels for Televisions ⁽¹⁾	28.6%	28.2%	25.4%
Panels for Monitors	36.1%	36.6%	39.0%
Panels for Notebook Computers	21.3%	27.8%	27.3%
Panels for Tablet Computers	28.3%	24.1%	22.5%
Total	29.5%	29.4%	27.7%

Source: Large-Area Display Market Tracker (IHS Technology)

(1) Includes panels for public displays.

(5) Competitiveness

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

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

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

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

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

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

C. New businesses

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

3. Major Products and Raw Materials**A. Major products**

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

(Unit: In billions of Won, except percentages)					
Business area	Sales type	Items (Market)	Usage	Major trademark	Sales in 2017 Q1~Q3 (%)
Display	Product/ Service/ Other sales	Display panel (Overseas ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	19,239 (93.1%)
		Display panel (Korea ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	1,425 (6.9%)
Total					20,664 (100.0%)

Period: January 1, 2017 ~ September 30, 2017.

(1) Based on ship-to-party.

B. Average selling price trend of major products

The average selling price of LCD panels per square meter of net display area shipped in the third quarter of 2017 increased by approximately 5% compared to the second quarter of 2017, largely as a result of a comparative increase in the shipment of small- and medium-sized panels, which generally have higher selling prices per square meter of net display area compared to other panels, while average selling prices of LCD panels exhibited varying trends according to demand by product category. There is no assurance that the average selling prices of LCD panels will not fluctuate in the future due to changes in market conditions.

Description	(Unit: US\$ / m ²)			
	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Display panel ⁽¹⁾⁽²⁾	600	574	608	642

(1) Quarterly average selling price per square meter of net display area shipped.

(2) Excludes semi-finished products in the cell process.

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

(Unit: In billions of Won, except percentages)

Business area	Purchase type	Items	Usage	Cost ⁽¹⁾	Ratio (%)	Suppliers
Display	Raw materials	Backlights	Display panel manufacturing	2,084	20.0%	HeeSung Electronics, etc.
		Polarizers		1,565	15.0%	LG Chem, etc.
		Glass		1,257	12.1%	NEG, Asahi Glass, etc.
		Printed circuit boards		997	9.6%	Korea SMT, etc.
		Others		4,503	43.3%	
Total				10,407	100.0%	

Period: January 1, 2017 ~ September 30, 2017.

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

4. Production and Equipment**A. Production capacity and output****(1) Production capacity**

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

(Unit: 1,000 glass sheets)

Business area	Items	Location of facilities	2017 Q1~Q3 ⁽²⁾	2016 ⁽²⁾	2015 ⁽²⁾
Display	Display panel	Gumi, Paju, Guangzhou, Ochang	7,723	9,906	9,781

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

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

(2) Production output

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

Business area	Items	Location of facilities	(Unit: 1,000 glass sheets)		
			2017 Q1~Q3	2016	2015
Display	Display panel	Gumi, Paju, Guangzhou, Ochang	6,858	8,996	8,609

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

B. Production performance and utilization ratio

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(Unit: Hours, except percentages)

Production facilities	Available working hours in 2017 Q1~Q3	Actual working hours in 2017 Q1~Q3	Average utilization ratio
Gumi	6,552 ⁽¹⁾ (273 days) ⁽²⁾	6,340 ⁽¹⁾ (264 days) ⁽²⁾	96.8%
Paju	6,552 ⁽¹⁾ (273 days) ⁽²⁾	6,552 ⁽¹⁾ (273 days) ⁽²⁾	100.0%
Guangzhou	6,552 ⁽¹⁾ (273 days) ⁽²⁾	6,552 ⁽¹⁾ (273 days) ⁽²⁾	100.0%
Ochang	6,552 ⁽¹⁾ (273 days) ⁽²⁾	5,688 ⁽¹⁾ (237 days) ⁽²⁾	86.8%

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

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

C. Investment plan

In 2016, our total capital expenditures on a cash out basis was ₩3.7 trillion. In 2017, we plan to continue capital expenditures to lead the market for OLED panels, prepare for mass production of future display products and respond to increases in demand for large-sized panels.

5. Sales

A. Sales performance

(Unit: In billions of Won)

Business area	Sales types	Items (Market)	2017 Q1~Q3	2016	2015
Display	Products, etc.	Display panel			
		Overseas ⁽¹⁾	19,239	24,679	26,166
		Korea ⁽¹⁾	1,425	1,825	2,218
		Total	20,664	26,504	28,384

(1) Based on ship-to-party.

B. Sales route and sales method

(1) Sales organization

As of September 30, 2017, each of our television, IT, mobile and OLED businesses had individual sales and customer support functions.

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

(2) Sales route

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

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

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

(3) Sales methods and sales terms

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

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(4) Sales strategy

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

In the smartphone, commercial products (including interactive whiteboards and video wall displays), industrial products (including aviation and medical equipment) and automobile displays segments, we have continued to build a strong and diversified business portfolio by expanding our business with customers with a global reach on the strength of our differentiated products applying IPS, plastic OLED, high-resolution, high-reliability, Super Narrow bezel, in-TOUCH and other technologies.

(5) Purchase orders

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

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

6. Market Risks and Risk Management

A. Market risks

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

The display industry is highly competitive. We have experienced pressure on the prices and margins of our major products due largely to additional industry capacity from panel manufacturers in Korea, Taiwan, China and Japan coupled with changes in the production mix of such manufacturers.

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

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

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B. Risk management

As the average selling prices of TFT-LCD and OLED panels can continue to decline over time irrespective of industry-wide cyclical fluctuations, we may find it hard to manage risks associated with certain factors that are outside our control. However, we counteract such declines in average selling prices by increasing the proportion of high value added panels in our product mix while also implementing various cost reduction measures. In addition, in order to manage our risk against foreign currency fluctuations, we continually monitor our currency position and risk, and when needed, we may from time to time enter into cross-currency interest rate swap contracts and foreign currency forward contracts.

7. Derivative Contracts

A. Currency risks

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

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

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

During the first nine months of 2017, we entered into an aggregate of US\$100 million in Won/US\$ forward foreign exchange contracts with Shinhan Bank and HSBC, which contracts were subsequently settled on June 26, 2017. As of September 30, 2017, there are no outstanding amounts to be settled under our foreign currency derivative instruments.

We recognized a gain on valuation of derivative instruments in the amount of ₩3,106 million with respect to foreign exchange derivative instruments held during the first nine months of 2017.

B. Interest rate risks

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

As of September 30, 2017, we have entered into an aggregate of ₩350 billion in interest rate swap agreements with Shinhan Bank and NongHyup Bank, for which we have not applied hedge accounting. We recognized a gain on valuation of derivative instruments in the amount of ₩592 million with respect to interest rate derivative instruments held during the first nine months of 2017.

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

Type of agreement	Name of party	Term	Content
Technology licensing agreement	Semiconductor Energy Laboratory	October 2005 ~	Patent licensing of LCD and OLED related technology
	Hewlett-Packard	January 2011 ~	Patent licensing of semi-conductor device technology
	Ignis Innovation, Inc.	July 2016 ~	Patent licensing of OLED related technology
Technology licensing/supply agreement	HannStar Display Corporation	December 2013 ~	Patent cross-licensing of LCD technology
	AU Optronics Corporation	August 2011~	Patent cross-licensing of LCD technology
	Innolux Corporation	July 2012 ~	Patent cross-licensing of LCD technology
	Universal Display Corporation	January 2015 ~ December 2022	Patent cross-licensing of OLED related technology

9. Research & Development

A. Summary of R&D-related expenditures

Items	(Unit: In millions of Won, except percentages)		
	2017 Q1~Q3	2016	2015
Material Cost	468,972	677,423	679,603
Labor Cost	482,611	479,650	510,455
Depreciation Expense	218,826	136,826	196,799
Others	212,339	129,348	159,983
Total R&D-Related Expenditures	1,382,748	1,423,247	1,546,840
Selling & Administrative Expenses	661,991	880,794	995,336
Accounting Treatment ⁽¹⁾ Manufacturing Cost	468,509	220,165	324,437
Development Cost (Intangible Assets)	252,248	322,288	227,067

R&D-Related Expenditures / Revenue Ratio (Total R&D-Related Expenditures ÷ Revenue for the period × 100)	6.7%	5.4%	5.4%
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- (1) For accounting treatment purposes, selling & administrative expenses are presented as research and development expenses in our statements of comprehensive income, net of amortization of capitalized intangible asset development costs.

B. R&D achievements

Achievements in 2015

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

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

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

- (2) Developed the world's first QHD in-TOUCH LTPS smartphone display (5.5-inch QHD)

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

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

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

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

Optimized sizing of panel PAD and mechanical bezel

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

Achieved LCD module thickness of 8.4mm

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

- (5) Developed the world's first Ultra HD OLED television product (55-inch, 65-inch and 77-inch Ultra HD)

Developed the world's first Ultra HD television product lineup

- (6) Developed the world's first Ultra HD television product applying DRD technology (55-inch, 49-inch and 43-inch Ultra HD)

World's first application of Ultra HD DRD technology based on an RGBW(M+) pixel structure

Utilized RGBW(M+) technology to optimize picture quality (high definition, high luminance, low energy consumption and High Dynamic Range (HDR))

- (7) Developed Ultra HD asymmetric RGBW(M+) structure product (15.6-inch)

Improved panel transmittance, lowered energy consumption and enhanced outdoor visibility compared to previous models

- (8) Developed the world's first second display LTPS smartphone product (5.7-inch QHD+)

Delivered differentiated set design through the realization of a second display by applying a panel exterior manufacturing process

Developed panel and instrumental optics technology for the independent operation of main display and second display

Developed advanced power consumption technology for the realization of Always On Display functionality for the second display

- (9) Developed the world's first four-sided borderless monitor product (23.8-inch FHD and 27-inch QHD)

Developed the world's first four-sided borderless design LCD module

Improved design by reducing lower bezel size from 12.6mm to 6.15mm (23.8-inch FHD)

- (10) Developed the world's first in-TOUCH notebook product (15.6-inch and 14-inch FHD)

Improved touch functionality and cost competitiveness through world's first application of in-TOUCH technology on notebook products

Simplified customer supply chain management by providing touch total solution

- (11) Developed the world's first 15.6-inch FHD notebook narrow bezel (2.9mm) product

Ultra-light and narrow concept project for 15.6-inch line extension to LG Electronics' 13.3-inch and 14-inch Gram products

Delivered differentiated design utilizing 2.9mm bezels (Top/L/R)

Ultra slim and light design (225g, 2.3t)

- (12) Developed 1900R curved monitor product (34-inch, 21:9 screen aspect ratio)

Strengthened product competitiveness by improving the curvature radius of 21:9 screen aspect ratio monitors (3800 reduced to 1900R)

Applied 0.25T etching to address looseness and backlight bleeding attributable to curved screen

Applied COT structure to enhance panel transmittance and address color mixing defects

(13) Developed the world's first four-sided borderless 55-inch Ultra HD LED television product

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Developed panel reverse structure in order to deliver a four-sided borderless product

(14) Developed the world's first a-Si 98-inch Quad Ultra HD 120Hz television product

Developed the world's first drive technology for a-Si based extra-large 8K 120Hz panels

(15) Developed the world's first 65-inch 8K M+ product

Achieved cost competitiveness and maximized 8K transmittance by applying GIP/Source single bank for the first time in the world

Developed super resolution (4K enhanced to 8K) and M+ algorithm technologies

(16) Developed 75-inch Ultra HD Signage product

Delivered 11.9mm thickness on large-size LCD module

Achievements in 2016

(1) Developed the world's narrowest, at the time, bezel videowall product (55-inch/49-inch FHD, bezel to bezel 1.8mm)

Delivered 0.9mm even bezel, four-sided borderless product (bezel to bezel 1.8mm)

(2) Developed the world's first ultra-stretch format display product (86-inch, 58:9 screen aspect ratio)

Developed new display panel size and screen aspect ratio (86-inch, 58:9 screen aspect ratio)

Applied next-generation stain (per pixel) offset technology

(3) Developed the world's first ultra-large display product utilizing data single bank and GIP technology (86-inch Ultra HD)

Achieved cost-competitiveness by developing world's first ultra-large display product utilizing data single bank and GIP technology

- (4) Developed the world's first in-TOUCH monitor product (23-inch)

Improved touch functionality and strengthened cost-competitiveness by applying the world's first in-TOUCH technology to monitor display products

Simplified customer software configuration management by providing touch total solution

- (5) Developed ultra-slim OLED television display product applying high dynamic range (65-inch, 800 nit luminance, 2.52 mm module thickness)

Applied high dynamic range (HDR) technology to achieve 800 nit peak luminance and improved display quality

Achieved module thickness of 2.52mm (without back cover) and 5.92mm (with back cover)

- (6) Developed combined 5.3-inch QHD in-TOUCH + 3D cover glass product for LG Electronics

Developed world class smartphone product (G5) through collaboration with other LG Group companies

Strengthened competitiveness of design by achieving processability and productivity for 0.4t 3D cover glass

Improved power consumption of AoD Mode from Self Font Generation technology and operation optimization

- (7) Developed the world's first large-scale outdoor high luminance 3000 nit product (75-inch Ultra HD)

Developed the world's first large-scale outdoor 75-inch Ultra HD, high luminance 3000 nit product

Achieved cost competitiveness and power consumption reduction through utilization of high transmittance M+ panel

- (8) Developed the world's first FHD/Ultra HD multi-input Interactive Whiteboard product (75-inch Ultra HD)

Strengthened product competitiveness through delivery of customer FHD/Ultra HD selective input functionality

- (9) Developed 4.9mm depth Art Slim2 Ultra HD television (55-inch/65-inch Ultra HD)

Strengthened design competitiveness through delivery of ultra-slim product with application of Glass Light Guide Plate

- (10) Developed the world's largest 21:9 screen aspect ratio curved monitor (37.5-inch UltraWide Quad HD (WQHD))+

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Continued pioneering of the market with the world's largest 21:9 screen aspect ratio IPS curved monitor lineup (37.5-inch, 2300R curvature radius, 44mm curvature depth)

Established flagship line through application of new high definition technology (WQHD+, 3840 x 1600 resolution)

Improved panel transmittance and backlight bleeding through our first-time application of a Super-IPS COT panel structure to monitor models

(11) Developed the world's first in-TOUCH GIP/DRD notebook product (15.6-inch FHD)

Strengthened competitiveness through application of GIP/DRD technology to FHD-quality notebook in-TOUCH products

(12) Developed a transparent 32-inch FHD product

Achieved high transmittance of transparent panel through application of RGBW(M+) panel technology

(13) Developed the world's first Light Absorption Polarizer (LAP) product (65-inch/60-inch Ultra HD)

Developed differentiated wide color gamut solution

(14) Developed the world's first Ultra HD DRD product (50-inch Ultra HD)

Utilized Ultra HD RGBW(M+) pixel structure-based DRD technology to strengthen product competitiveness and optimize picture quality (high definition, high luminance, low energy consumption and HDR)

(15) Developed a 5.7-inch QHD flexible display product

Developed a flexible display smartphone product through collaboration with other LG Group companies

Reduced the lower bezel size by 0.59mm and improved power consumption by applying VESA Display Stream Compression 1.1

- (16) Developed the world's first wallpaper OLED television product (65-inch Ultra HD)

Achieved an ultra-slim wallpaper-style design that completely sticks to walls (65-inch, 3.9 mm hindmost thickness, 7.4 kg)

Achieved long-distance signal and power transmission technology for the separation of the driver circuit
Achievements in 2017

- (1) Developed 5.7-inch QHD+ full vision display (LG Electronics)

Developed a full vision display smartphone product (G6) through strategic collaboration with other LG Group companies

Applied first 18:9 screen aspect ratio with 4-corner round display

- (2) Developed mobile LTPS 30Hz product (SH 5.1-inch FHD)

Secured 30Hz low-frequency drive technology based on LTPS TFT-LCD

Reduced logic power consumption through 30Hz low-frequency drive (reduced from 96mW to 69mW on 5.1-inch FHD)

- (3) Developed and released the world's first Crystal Sound OLED, or CSO, television product

Released product with a new platform concept through development of OLED panel product with integrated speakers

Delivered OLED television product that achieves differentiated value not only in picture quality and design, but also sound quality

- (4) Developed notebook oxide product (13.9-inch, Ultra HD)

Achieved high definition/narrow bezel product through application of oxide BCE GIP technology

Delivered low power consumption product through application of low refresh rate, or LRR, technology

- (5) Developed medical monitor product for surgical endoscope (27.0-inch, Ultra HD)

Newly entered the medical devices market through development and production of medical monitor product for surgical endoscope

Achieved high definition (3,840 x 2,160), high luminance (800 nit) and high contrast ratio (1,300:1)

Implemented coverglass direct bonding applying our own manufacturing processes (M6 line)

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- (6) Developed the world's first four-side borderless monitor with a resolution of 8K4K (31.5-inch 8K4K Oxide)

Pioneered Ultra HD Premium MNT market through development of the world's first four-side borderless monitor with a resolution of 8K4K

Delivered Ultra HD based on oxide GIP (280 PPI with a resolution of 7680x4320)

Delivered wide color gamut (Adobe RGB 100%/DCI 98%), four-side borderless

- (7) Developed the world's largest automotive Center Information Display (CID) product (15.4-inch Widescreen Ultra Extended Graphics Array (WUXGA))

Developed the world's largest auto component display in the automotive industry

Guaranteed the first 1000hr reliability in the automotive industry

- (8) Developed the world's first 88-inch Ultra Stretch display product

Strengthened competitiveness through application of smart (digital) stepper

10. Intellectual Property

As of September 30, 2017, our cumulative patent portfolio (including patents that have already expired) included a total of 33,671 patents, consisting of 15,747 in Korea and 17,924 in other countries.

11. Environmental and Safety Matters

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

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

In connection with the greenhouse gas emission and energy reduction target system, we submitted a statement of our domestic emissions and energy usage for 2016 to the Korean government in March 2017 after it was certified by BSI Korea, a government-designated certification agency. The table below sets forth yearly levels of our greenhouse gases emissions and energy usage in the statement submitted to the Korean government:

Category	(Unit: thousand tonnes of CO ₂ equivalent; Tetra Joules)		
	2016	2015	2014
Greenhouse gases	5,851	7,348	7,537
Energy	60,423	60,146	60,002

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

In addition, in August 2014, GP1, our newest eighth-generation panel fabrication facility located in Guangzhou, China, was the first electronics plant in China to receive the Green Plant designation under China's Green China Policy, in addition to receiving ISO 14001, ISO 50001, OHSAS 18001, ISO 9001, PAS 2050 and ISO 14064-1 certifications. Furthermore, with respect to our production facilities in Gumi, we have been certified by the Ministry of Environment as a Green Company for P1 and our Gumi module production plant since 1997, P2 and P3 since 2006 and P4, P5 and P6 since 2008. Also, we received certification to self-inspect designated waste products with respect to our Paju plant by the Ministry of Environment in 2011, which was recertified in 2013. In recognition of our efforts to reduce greenhouse gas emissions, we were awarded a commendation from the Minister of Environment in the efforts against climate change category in the 2013 Green Management Awards, which was jointly hosted by the Ministry of Environment and the Ministry of Trade, Industry & Energy. In addition, in recognition of our efforts to improve recycling and reduce waste, we received a citation in 2014 for being a leading recycling company from the Prime Minister of Korea and, in recognition of our continued water conservation activities (reuse system investments, etc.) and greenhouse gas emission reduction activities (process gas and energy reduction, etc.), we attained the highest level, Leadership A, and received the grand prize award at the CDP Water Korea Best Awards in 2016 from the Carbon Disclosure Project, which was presided over by the Carbon Disclosure Project Korea Committee. We also attained a Leadership A in the climate change information technology sector and received a carbon management honors award. In 2017, in recognition of efficient control, management and operating systems implemented in our manufacturing facilities, we received the top-level certification, Level 1, under the Factory Energy Management System evaluation presided by the Korea Energy Agency.

In the case of the European Union's Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU, with the adoption of Directive (EU) 2015/863 in 2016, four additional substances (four phthalate substances) will be added to the six already restricted substances and the additional restrictions are scheduled to come into effect on July 22, 2019. In order to address the latent risk elements of the four phthalate substances scheduled to be restricted in 2019 and to establish a more stable management system, we implemented in 2016 a preemptive response process with respect to such four phthalate substances. In implementing this process, we collaborated with external agencies to ascertain regulatory trends and establish our response strategy, and we formulated and applied effective management measures through the collaborative efforts of our development, procurement and quality teams. Beryllium (Be) was not designated internationally as a mandatorily restricted substance but has continued to be the subject of discussion for restriction, and certain of our customers have designated it as a restricted substance not to be used in products. Accordingly, we have completed verification of the parts used in products for customers who have banned the use of Beryllium. We have also conducted verification of the parts used in products for all customers who are expected to implement a ban and we have established a Beryllium verification process for parts in development. Through such

efforts, we have established a voluntary hazardous substance response process that can be expanded to products for all customers, not only those who have requested a response.

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

In February 2015, we were issued a corrective order and assessed a fine of W276 million, which we subsequently followed and paid, respectively, for violating the Occupational Health and Safety Act in connection with an accidental nitrogen gas exposure at one of our production facilities in Paju, Korea in January 2015. In 2016, we were assessed an additional fine of W10 million in connection with such accidental exposure for other violations of the Occupational Health and Safety Act. To prevent such accidents happening again in the future, we have strengthened our safety standards and management and employee education.

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In 2015 and 2016, we were assessed fines in the aggregate amount of W1.6 million, which we subsequently paid, for failure to meet certain reporting obligations under the Industrial Safety and Health Act. To prevent such violations from occurring again, we have strengthened our monitoring process and management and employee education training initiatives.

In June 2017, we were assessed a fine of W1 million, which we subsequently paid, for failure to meet certain waste disposal subcontractor requirements under the Waste Management Act. To prevent such violations from occurring again, we are strengthening the periodic evaluation process for our waste management subcontractors.

In June 2017, we were investigated by the Ministry of Employment and Labor in connection with the occurrence of a safety accident and found to be in violation of certain provisions of the Industrial Safety and Health Act relating to supervisory obligations. As a result, we were issued a corrective order and assessed a fine of W2.4 million. Relevant authorities are currently conducting further investigations. In order to prevent such accidents from occurring again, we are strengthening our safety management standards and training for our employees.

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

Description	(Unit: In millions of Won)		
	As of September 30, 2017	As of December 31, 2016	As of December 31, 2015
Current assets	11,334,062	10,484,186	9,531,634
Quick assets	8,670,030	8,196,401	7,179,965
Inventories	2,664,032	2,287,785	2,351,669
Non-current assets	17,457,667	14,400,150	13,045,526
Investments in equity accounted investees	119,724	172,683	384,755
Property, plant and equipment, net	15,004,141	12,031,449	10,546,020
Intangible assets	888,592	894,937	838,730
Other non-current assets	1,445,210	1,301,081	1,276,021
Total assets	28,791,729	24,884,336	22,577,160
Current liabilities	8,079,139	7,058,219	6,606,712
Non-current liabilities	5,544,478	4,363,729	3,265,492
Total liabilities	13,623,617	11,421,948	9,872,204
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	10,582,527	9,004,283	8,158,526
Other equity	(88,404)	(88,478)	(5,766)
Non-controlling interest	633,797	506,391	512,004

Total equity	15,168,112	13,462,388	12,704,956
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(Unit: In millions of Won, except for per share data and number of consolidated entities)

Description	For the nine months ended September 30, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Revenue	20,664,143	26,504,074	28,383,884
Operating profit	2,417,142	1,311,416	1,625,566
Operating profit from continuing operations	1,893,409	931,508	1,023,456
Profit for the period	1,893,409	931,508	1,023,456
Profit attributable to:			
Owners of the Company	1,765,772	906,713	966,553
Non-controlling interest	127,637	24,795	56,903
Basic earnings per share	4,935	2,534	2,701
Diluted earnings per share	4,935	2,534	2,701
Number of consolidated entities	20	19	18

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

(Unit: In millions of Won)

Description	As of September 30, 2017	As of December 31, 2016	As of December 31, 2015
Current assets	9,093,211	8,712,575	8,246,330
Quick assets	7,221,721	7,005,592	6,396,117
Inventories	1,871,490	1,706,983	1,850,213
Non-current assets	15,729,352	13,100,175	11,964,363
Investments	2,781,868	2,656,026	2,543,205
Property, plant and equipment, net	11,136,767	8,757,973	7,719,022
Intangible assets	697,218	673,966	607,398
Other non-current assets	1,113,499	1,012,210	1,094,738
Total assets	24,822,563	21,812,750	20,210,693
Current liabilities	7,047,907	6,176,344	6,505,979
Non-current liabilities	4,453,877	3,400,959	2,375,131
Total liabilities	11,501,784	9,577,303	8,881,110
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	9,280,587	8,195,255	7,289,333
Reserves	0	0	58
Total equity	13,320,779	12,235,447	11,329,583

(Unit: In millions of Won, except for per share data)

Description	For the nine months ended September 30, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Revenue	19,160,088	24,419,295	25,856,426
Operating profit	1,631,938	709,138	770,856
Operating profit from continuing operations	1,273,308	967,078	968,209
Profit for the period	1,273,308	967,078	968,209
Basic earnings per share	3,559	2,703	2,706
Diluted earnings per share	3,559	2,703	2,706

C. Consolidated subsidiaries (as of September 30, 2017)

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

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D. Status of equity investments (as of September 30, 2017)

(1) Consolidated subsidiaries

Company	Investment Amount (in millions)	Initial Equity Investment Date	Equity Interest
LG Display America, Inc.	US\$411	September 24, 1999	100%
LG Display Japan Co., Ltd.	¥95	October 12, 1999	100%
LG Display Germany GmbH	EUR1	November 5, 1999	100%
LG Display Taiwan Co., Ltd.	NT\$116	May 19, 2000	100%
LG Display Nanjing Co., Ltd.	CNY3,020	July 15, 2002	100%
LG Display Shanghai Co., Ltd.	CNY4	January 16, 2003	100%
LG Display Poland Sp. zo.o.	PLN511	September 6, 2005	100%
LG Display Guangzhou Co., Ltd.	CNY1,655	August 7, 2006	100%
LG Display Shenzhen Co., Ltd.	CNY4	August 28, 2007	100%
LG Display Singapore Pte. Ltd.	US\$1.1	January 12, 2009	100%
L&T Display Technology (Fujian) Limited	CNY116	January 5, 2010	51%
LG Display Yantai Co., Ltd.	CNY1,008	April 19, 2010	100%
Nanumnuri Co., Ltd.	₩800	March 19, 2012	100%
LG Display (China) Co., Ltd. ⁽¹⁾	CNY8,232	December 27, 2012	70%
Unified Innovative Technology, LLC	US\$9	March 21, 2014	100%
LG Display Guangzhou Trading Co., Ltd.	CNY1.2	May 27, 2015	100%
Global OLED Technology LLC	US\$138	May 7, 2015	100%
LG Display Vietnam Haiphong Co., Ltd.	US\$100	May 13, 2016	100%
Suzhou Lehui Display Co., Ltd.	CNY637	July 1, 2016	100%
MMT (Money Market Trust) ⁽²⁾	₩157,335	March 31, 2017	100%

(1) In June 2017, LG Display Guangzhou Co., Ltd., our consolidated subsidiary, invested an additional ₩8,557 million in LG Display (China) Co., Ltd.

(2) We conducted money market trust acquisitions in the amount of ₩157,335 million during the nine months ended September 30, 2017.

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(2) Affiliated companies

Company ⁽¹⁾	Carrying Amount (in millions)	Date of Incorporation	Equity Interest
Paju Electric Glass Co., Ltd.	₩48,236	January 2005	40%
Invenia Co., Ltd.	₩3,161	January 2001	13%
Wooree E&L Co., Ltd.	₩7,407	June 2008	14%
LB Gemini New Growth Fund No. 16 ⁽²⁾	₩5,761	December 2009	31%
Can Yang Investments Limited ⁽³⁾	₩2,063	January 2010	9%
YAS Co., Ltd.	₩10,665	April 2002	15%
Avatec Co., Ltd.	₩22,123	August 2000	17%
Arctic Sentinel, Inc.		June 2008	10%
CYNORA GmbH ⁽⁴⁾	₩20,308	March 2003	14%

- (1) During the nine months ended September 30, 2017, we divested our entire equity interest in New Optics Ltd. and Narae Nanotech Corporation.
- (2) We participate as a limited member in LB Gemini New Growth Fund No. 16. During the reporting period, we received a distribution of ₩2,076 million as return of principal from our investments. The distribution did not affect our percentage interest.
- (3) During the reporting period, we recognized an impairment loss of ₩4,234 million, the difference between the carrying amount and the recoverable amount of our equity interest in Can Yang Investments Limited, which loss was categorized as finance costs.
- (4) In September 2017, we acquired 88,584 preferred shares with voting rights of CYNORA GmbH for ₩20,308 million. As of September 30, 2017, our percentage ownership interest in CYNORA GmbH is 14%, and we are entitled to appoint one director of CYNORA GmbH.

13. Audit Information

A. Audit service

Description	(Unit: In millions of Won, hours)		
	2017 Q1~Q3	2016	2015
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor
Compensation ⁽¹⁾	1,040 (450) ⁽²⁾	1,020 (440) ⁽²⁾	990 (400) ⁽²⁾
Time required	11,521	18,291	17,530

- (1) Compensation amount is the contracted amount for the full fiscal year.
- (2) Compensation amount in () is for Form 20-F filing and SOX 404 audit.

B. Non-audit service
None.

14. Board of Directors

A. Members of the board of directors
As of September 30, 2017 our board of directors consisted of two non-outside directors, one non-standing director and four outside directors.

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Name	Position	(As of September 30, 2017) Primary responsibility
Sang Beom Han	Representative Director (non-outside), Chief Executive Officer and Vice Chairman	Chairman of the board of directors
Sang Don Kim ⁽¹⁾	Director (non-outside), Chief Financial Officer and Senior Vice President	Overall head of finances
Hyun Hwoi Ha ⁽²⁾	Director (non-standing)	Related to the overall management
Jin Jang ⁽³⁾	Outside Director	Related to the overall management
Joon Park ⁽⁴⁾	Outside Director	Related to the overall management
Sung Sik Hwang ⁽⁵⁾	Outside Director	Related to the overall management
Kun Tai Han ⁽⁶⁾	Outside Director	Related to the overall management

- (1) Sang Don Kim was reappointed for another term as a non-outside director at the annual general meeting of shareholders held on March 23, 2017.
- (2) Hyun Hwoi Ha was appointed as a non-standing director at the annual general meeting of shareholders held on March 23, 2017. Mr. Ha is also the chief executive officer of LG Corp., a non-standing director of LG Hausys, Ltd., a non-standing director of LG International Corp., a non-standing director of LG Uplus Corp., a non-standing director of LG Economic Research Institute and a non-standing director of LG CNS Co., Ltd.
- (3) Jin Jang was reappointed for another term as an outside director at the annual general meeting of shareholders held on March 23, 2017. Mr. Jang is also the chief executive officer of Silicon Display Co., Ltd.
- (4) Joon Park is also an outside director of Green Cross Holdings Corp.
- (5) Sung Sik Hwang is also an outside director of Kyobo Life Insurance Co., Ltd.
- (6) Kun Tai Han is also the chief executive officer of Hans Consulting.

B. Committees of the board of directors

We have the following committees that serve under our board of directors: Audit Committee, Outside Director Nomination Committee and Management Committee. The Management Committee consists of two non-outside directors, Sang Boem Han and Sang Don Kim.

During the reporting period, two meetings of the Outside Director Nomination Committee were held and the composition of the Outside Director Nomination Committee was as follows.

Committee	Composition	Member
Outside Director Nomination Committee	1 non-standing director and 2 outside directors	Yu Sig Kang, Joon Park ⁽¹⁾ , Sung Sik Hwang

(As of March 8, 2017)

(1) Joon Park was appointed as a member of the outside director nomination committee of the board of directors by the board of directors on January 23, 2017.

As of September 30, 2017, the composition of the Audit Committee was as follows.

		(As of September 30, 2017)
Committee	Composition	Member
Audit Committee	3 outside directors	Sung Sik Hwang ⁽¹⁾ , Joon Park, Kun Tai Han ⁽²⁾

(1) Sung Sik Hwang is the audit committee chairman.

(2) Kun Tai Han was appointed as a member of the audit committee of the board of directors at the annual general meeting of shareholders held on March 23, 2017.

Table of Contents**C. Independence of directors**

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

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

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

- (1) Total number of shares authorized to be issued (as of September 30, 2017): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of September 30, 2017): 357,815,700 shares.

B. Shareholder list

- (1) Largest shareholder and related parties as of September 30, 2017:

Name	Relationship	Number of shares of common stock	Equity interest
LG Electronics	Largest Shareholder	135,625,000	37.90%
Sang Beom Han	Related Party	31,355	0.01%
Sang Don Kim	Related Party	4,000	0.00%

- (2) Shareholders who are known to us to own 5% or more of our shares as of September 30, 2017:

Beneficial owner	Number of shares of common stock	Equity interest
LG Electronics	135,625,000	37.90%
National Pension Service	32,930,270	9.20%

16. Directors and Employees

A. Directors

(1) Remuneration for directors in 2017 Q1~Q3

(Unit: person, in millions of Won)

Classification	No. of directors ⁽¹⁾	Amount paid ⁽²⁾	Per capita average remuneration paid ⁽³⁾
Non-outside directors	3	2,442	814
Outside directors who are not audit committee members	1	59	59
Outside directors who are audit committee members	3	176	59
Total	7	2,677	932

(1) Number of directors as of September 30, 2017.

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

(3) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the nine months ended September 30, 2017.

(2) Remuneration for individual directors and audit committee members
Not required for quarterly reports.

(3) Stock options
Not applicable.

Table of Contents**B. Employees**

As of September 30, 2017, we had 33,127 employees (excluding our executive officers). On average, our male employees have served 9.0 years and our female employees have served 7.5 years. The total amount of salary paid to our employees for the nine months ended September 30, 2017 based on income tax statements submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act was ₩1,428,185 million for our male employees and ₩340,688 million for our female employees. The following table provides details of our employees as of September 30, 2017:

	(Unit: person, in millions of Won, year)			
	Number of employees ⁽¹⁾	Total salary in 2017 Q1~Q3 ⁽²⁾⁽³⁾⁽⁴⁾	Total salary per capita ⁽⁵⁾	Average years of service
Male	24,899	1,428,185	58	9.0
Female	8,228	340,688	41	7.5
Total	33,127	1,768,873	54	8.7

- (1) Excludes temporary employees hired for temporarily required tasks or as temporary replacements for employees on maternity/child-rearing leaves.
- (2) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the nine months ended September 30, 2017 was ₩271,071 million and the per capita welfare benefit provided was ₩8.3 million.
- (3) Based on income tax statements (amounts are based on pre-income tax figures), which are submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act.
- (4) Includes incentive payments to employees who have transferred from our affiliated companies.
- (5) Calculated using the average number of employees (male: 24,517, female: 8,277) for the nine months ended September 30, 2017.

17. Material Events Subsequent to the Reporting Period

On October 27, 2017, we issued corporate bonds in an aggregate amount of Won 200 billion. The following table provides details of such issuance:

Type of Securities	Type of Offering	Issue Date	Issue Amount	Interest Rate	Credit Rating	Date of Maturity	Underwriters
Corporate Bonds	Public	October 27, 2017	Won 150,000,000,000	2.564%	AA (Korea Investors Service; Korea Ratings Corporation)	October 27, 2020	KB Securities; Korea Investment & Securities; CAPE Investment

& Securities;
NH
Investment
& Securities;
Mirae Asset
Daewoo

October 27, 2017

Won 50,000,000,000

2.911%

October 27, 2022

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LG DISPLAY CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Financial Statements
(Unaudited)
September 30, 2017 and 2016
(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

Reviewed Financial Statements

We have reviewed the accompanying condensed consolidated interim financial statements of LG Display Co., Ltd. and subsidiaries (the Group) which comprise the condensed consolidated interim statement of financial position as of September 30, 2017, the condensed consolidated interim statements of comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2017 and 2016, the statements of changes in equity and cash flows for the nine-month periods ended September 30, 2017 and 2016, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Condensed Consolidated Interim Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

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

Other Matters

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

We audited the consolidated statement of financial position as of December 31, 2016 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with Korean Standards on Auditing, and our report thereon, dated February 21, 2017, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2016, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

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KPMG Samjong Accounting Corp.

Seoul, Korea

November 10, 2017

This report is effective as of November 10, 2017 the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

As of September 30, 2017 and December 31, 2016

<i>(In millions of won)</i>	Note	September 30, 2017	December 31, 2016
Assets			
Cash and cash equivalents	4, 25	₩ 1,974,036	1,558,696
Deposits in banks	4, 25	1,328,010	1,163,750
Trade accounts and notes receivable, net	5, 14, 25, 27	4,847,867	4,957,993
Other accounts receivable, net	5, 25	87,416	143,592
Other current financial assets	6, 25	23,790	28,016
Inventories	7	2,664,032	2,287,785
Prepaid income taxes		371	592
Other current assets	5	408,540	343,762
Total current assets		11,334,062	10,484,186
Deposits in banks	4, 25	11	13
Investments in equity accounted investees	8	119,724	172,683
Other non-current financial assets	6, 25	63,522	74,633
Property, plant and equipment, net	9, 17	15,004,141	12,031,449
Intangible assets, net	10, 17	888,592	894,937
Deferred tax assets	23	972,821	867,011
Other non-current assets	5	408,856	359,424
Total non-current assets		17,457,667	14,400,150
Total assets		₩ 28,791,729	24,884,336
Liabilities			
Trade accounts and notes payable	25, 27	₩ 2,962,856	2,877,326
Current financial liabilities	11, 25	1,218,849	667,909
Other accounts payable	25	2,621,112	2,449,517
Accrued expenses		652,139	639,629
Income tax payable		371,785	257,082
Provisions	13	73,814	55,972
Advances received		134,188	61,818
Other current liabilities	13	44,396	48,966
Total current liabilities		8,079,139	7,058,219
Non-current financial liabilities	11, 25	4,165,532	4,111,333
Non-current provisions	13	24,043	8,155
Defined benefit liabilities, net	12	297,306	142,987

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Long-term advances received	14	960,361	
Deferred tax liabilities	23	27,324	32,108
Other non-current liabilities	13	69,912	69,146
Total non-current liabilities		5,544,478	4,363,729
Total liabilities		13,623,617	11,421,948
Equity			
Share capital	15	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Retained earnings		10,582,527	9,004,283
Reserves	15	(88,404)	(88,478)
Total equity attributable to owners of the Controlling Company		14,534,315	12,955,997
Non-controlling interests		633,797	506,391
Total equity		15,168,112	13,462,388
Total liabilities and equity		₩ 28,791,729	24,884,336

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited)

For the three-month and nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won, except earnings per share)</i>	Note	For the three-month period		For the nine-month period	
		ended September 30 2017	ended September 30 2016	ended September 30 2017	ended September 30 2016
Revenue	16, 17, 27	₩ 6,973,095	6,723,775	₩ 20,664,143	18,568,118
Cost of sales	7, 18, 27	(5,717,586)	(5,784,216)	(16,175,486)	(16,391,890)
Gross profit		1,255,509	939,559	4,488,657	2,176,228
Selling expenses	19	(212,817)	(165,580)	(678,546)	(491,349)
Administrative expenses	19	(170,625)	(152,396)	(511,032)	(451,529)
Research and development expenses		(286,074)	(298,420)	(881,937)	(826,275)
Operating profit		585,993	323,163	2,417,142	407,075
Finance income	22	35,752	92,766	164,176	165,474
Finance costs	22	(45,954)	(60,494)	(192,961)	(192,080)
Other non-operating income	21	226,800	231,530	767,282	860,948
Other non-operating expenses	21	(205,871)	(335,345)	(873,892)	(995,176)
Equity in gain (loss) of equity accounted investees, net		2,003	(3,169)	6,915	5,477
Profit before income tax		598,723	248,451	2,288,662	251,718
Income tax expense	23	(121,479)	(58,897)	(395,253)	(144,893)
Profit for the period		477,244	189,554	1,893,409	106,825
Other comprehensive income (loss)					
Items that will never be reclassified to profit or loss					
Remeasurements of net defined benefit liabilities	12	(3,639)	(1,033)	(11,963)	(3,817)
Other comprehensive income (loss) from associates and joint ventures		(45)	(7)	448	203
Related income tax	12	881	250	2,895	924
		(2,803)	(790)	(8,620)	(2,690)
Items that are or may be reclassified to profit or loss					

Net change in fair value of available-for-sale financial assets	22				(77)
Foreign currency translation differences for foreign operations		109,892	(237,609)	(895)	(315,442)
Other comprehensive income (loss) from associates and joint ventures		204	4,009	2,367	(2,362)
Related income tax	22				19
		110,096	(233,600)	1,472	(317,862)
Other comprehensive income (loss) for the period, net of income tax		107,293	(234,390)	(7,148)	(320,552)
Total comprehensive income (loss) for the period		₩ 584,537	(44,836)	₩ 1,886,261	(213,727)
Profit attributable to:					
Owners of the Controlling Company		₩ 441,982	177,825	1,765,772	108,676
Non-controlling interests		35,262	11,729	127,637	(1,851)
Profit for the period		₩ 477,244	189,554	₩ 1,893,409	106,825
Total comprehensive income (loss) attributable to:					
Owners of the Controlling Company		₩ 532,860	(27,145)	1,757,226	(172,160)
Non-controlling interests		51,677	(17,691)	129,035	(41,567)
Total comprehensive income (loss) for the period		₩ 584,537	(44,836)	₩ 1,886,261	(213,727)
Earnings per share (In won)					
Basic earnings per share	24	₩ 1,235	497	₩ 4,935	304
Diluted earnings per share	24	₩ 1,235	497	₩ 4,935	304

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Attributable to owners of the Controlling Company					Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Reserves	Sub-total		
Balances at January 1, 2016	₩ 1,789,079	2,251,113	8,158,526	(5,766)	12,192,952	512,004	12,704,956
Total comprehensive income (loss) for the period							
Profit(loss) for the period			108,676		108,676	(1,851)	106,825
Other comprehensive income (loss)							
Net change in fair value of available-for-sale financial assets, net of tax				(58)	(58)		(58)
Remeasurements of net defined benefit liabilities, net of tax			(2,893)		(2,893)		(2,893)
Foreign currency translation differences for foreign operations, net of tax				(275,726)	(275,726)	(39,716)	(315,442)
Other comprehensive income (loss) from associates and joint ventures			203	(2,362)	(2,159)		(2,159)
Total other comprehensive loss			(2,690)	(278,146)	(280,836)	(39,716)	(320,552)
Total comprehensive income (loss) for the	₩		105,986	(278,146)	(172,160)	(41,567)	(213,727)

period

Transaction with owners, recognized directly in equity

Dividends to equity holders			(178,908)		(178,908)		(178,908)
Subsidiaries dividends distributed to non-controlling interests						(10,658)	(10,658)

Balances at

September 30, 2016	₩ 1,789,079	2,251,113	8,085,604	(283,912)	11,841,884	459,779	12,301,663
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Balances at

January 1, 2017	₩ 1,789,079	2,251,113	9,004,283	(88,478)	12,955,997	506,391	13,462,388
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Total comprehensive income (loss) for the period

Profit for the period			1,765,772		1,765,772	127,637	1,893,409
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Other comprehensive income (loss)

Remeasurements of net defined benefit liabilities, net of tax			(9,068)		(9,068)		(9,068)
Foreign currency translation differences for foreign operations, net of tax				(2,293)	(2,293)	1,398	(895)
Other comprehensive income from associates and joint ventures			448	2,367	2,815		2,815

Total other comprehensive income (loss)

			(8,620)	74	(8,546)	1,398	(7,148)
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Total comprehensive income for the period

₩			1,757,152	74	1,757,226	129,035	1,886,261
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Transaction with owners, recognized directly in equity

Dividends to equity holders			(178,908)		(178,908)		(178,908)
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Subsidiaries dividends distributed to non-controlling interests						(5,929)	(5,929)
Capital contribution from non-controlling interests						4,300	4,300

Balances at September 30, 2017	₩ 1,789,079	2,251,113	10,582,527	(88,404)	14,534,315	633,797	15,168,112
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See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from operating activities:			
Profit for the period		₩ 1,893,409	106,825
Adjustments for:			
Income tax expense	23	395,253	144,893
Depreciation	18	2,013,067	2,035,720
Amortization of intangible assets	18	316,036	265,905
Gain on foreign currency translation		(128,321)	(67,054)
Loss on foreign currency translation		85,638	97,423
Expenses related to defined benefit plans	12	148,679	165,833
Gain on disposal of property, plant and equipment		(14,259)	(7,662)
Loss on disposal of property, plant and equipment		9,340	3,122
Gain on disposal of intangible assets		(308)	
Loss on disposal of intangible assets		9	20
Impairment loss on intangible assets		1,717	125
Finance income		(103,672)	(124,025)
Finance costs		118,544	128,488
Equity in gain of equity method accounted investees, net	8	(6,915)	(5,477)
Other income		(16,505)	(15,546)
Other expenses		165,368	133,661
		2,983,671	2,755,426
Changes in			
Trade accounts and notes receivable		223,256	(9,725)
Other accounts receivable		35,132	46,085
Other current assets		9,105	(110,854)
Inventories		(370,064)	(98,484)
Other non-current assets		(115,894)	(97,887)
Trade accounts and notes payable		45,297	256,237
Other accounts payable		(66,742)	(40,616)
Accrued expenses		20,974	(78,084)
Other current liabilities		(4,228)	4,557
Long-term advance received		1,020,470	
Other non-current liabilities		5,178	14,004
Provisions		(130,380)	(107,083)
Defined benefit liabilities, net		(6,311)	(119,841)
		665,793	(341,691)

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Cash generated from operating activities	5,542,873	2,520,560
Income taxes paid	(358,096)	(169,412)
Interests received	36,855	36,290
Interests paid	(99,246)	(95,367)
Net cash provided by operating activities	₩ 5,122,386	2,292,071

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows, Continued

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from investing activities:			
Dividends received		₩ 8,639	59,023
Proceeds from withdrawal of deposits in banks		1,358,632	2,247,561
Increase in deposits in banks		(1,522,890)	(1,880,547)
Acquisition of available-for-sale financial assets		(195)	(747)
Proceeds from disposal of available-for-sale financial assets			419
Acquisition of financial assets at fair value through profit or loss			(1,500)
Acquisition of investments in equity accounted investees		(20,308)	
Proceeds from investments in equity accounted investees		6,697	21,907
Acquisition of property, plant and equipment		(4,798,574)	(2,558,563)
Proceeds from disposal of property, plant and equipment		114,624	32,885
Acquisition of intangible assets		(335,803)	(318,087)
Proceeds from disposal of intangible assets		874	151
Government grants received		1,505	2,699
Receipt from (payment for) settlement of derivatives		2,745	(36)
Proceeds from collection of short-term loans		693	4,650
Increase in short-term loans			(2,132)
Increase in long-term loans		(300)	(23,817)
Decrease in deposits		3,639	472
Increase in deposits		(2,534)	(6,899)
Net cash used in investing activities		(5,182,556)	(2,422,561)
Cash flows from financing activities:	26		
Proceeds from short-term borrowings			107,345
Repayments of short-term borrowings		(113,209)	
Proceeds from issuance of debentures		298,780	298,784
Proceeds from long-term debt		847,702	1,483,343
Repayments of long-term debt			(347,693)
Repayments of current portion of long-term debt and debentures		(364,774)	(832,939)
Subsidiaries' dividends distributed to non-controlling interests		(5,929)	(10,658)
Capital contribution from non-controlling interests		4,300	
Dividends paid		(178,908)	(178,908)
Net cash provided by financing activities		487,962	519,274
Net increase in cash and cash equivalents		427,792	388,784

Cash and cash equivalents at January 1	1,558,696	751,662
Effect of exchange rate fluctuations on cash held	(12,452)	(64,509)
Cash and cash equivalents at September 30	₩ 1,974,036	1,075,937

See accompanying notes to the condensed consolidated interim financial statements.

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1. Reporting Entity

(a) Description of the Controlling Company

LG Display Co., Ltd. (the Controlling Company) was incorporated in February 1985 and the Controlling Company is a public corporation listed in Korea Exchange since 2004. The main business of the Controlling Company and its subsidiaries (the Group) is to manufacture and sell displays and its related products. As of September 30, 2017, the Group is operating Thin Film Transistor Liquid Crystal Display (TFT-LCD) and Organic Light Emitting Diode (OLED) panel manufacturing plants in Gumi, Paju and China and TFT-LCD and OLED module manufacturing plants in Gumi, Paju, China, Poland and Vietnam. The Controlling Company is domiciled in the Republic of Korea with its address at 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, the Republic of Korea. As of September 30, 2017, LG Electronics Inc., a major shareholder of the Controlling Company, owns 37.9% (135,625,000 shares) of the Controlling Company s common stock.

The Controlling Company s common stock is listed on the Korea Exchange under the identifying code 034220. As of September 30, 2017, there are 357,815,700 shares of common stock outstanding. The Controlling Company s common stock is also listed on the New York Stock Exchange in the form of American Depository Shares (ADSs) under the symbol LPL . One ADS represents one-half of one share of common stock. As of September 30, 2017, there are 29,572,308 ADSs outstanding.

Table of Contents1. Reporting Entity, Continued(b) Consolidated Subsidiaries as of September 30, 2017*(In millions)*

Subsidiaries	Location	Percentage of ownership	Fiscal year end	Date of incorporation	Business	Capital stocks
LG Display America, Inc.	San Jose, U.S.A.	100%	December 31	September 24, 1999	Sell Display products	USD 411
LG Display Japan Co., Ltd.	Tokyo, Japan	100%	December 31	October 12, 1999	Sell Display products	JPY 95
LG Display Germany GmbH	Eschborn, Germany	100%	December 31	November 5, 1999	Sell Display products	EUR 1
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	100%	December 31	April 12, 1999	Sell Display products	NTD 116
LG Display Nanjing Co., Ltd.	Nanjing, China	100%	December 31	July 15, 2002	Manufacture Display products	CNY 3,020
LG Display Shanghai Co., Ltd.	Shanghai, China	100%	December 31	January 16, 2003	Sell Display products	CNY 4
LG Display Poland Sp. z o.o.	Wroclaw, Poland	100%	December 31	September 6, 2005	Manufacture Display products	PLN 511
LG Display Guangzhou Co., Ltd.	Guangzhou, China	100%	December 31	June 30, 2006	Manufacture Display products	CNY 1,655
LG Display Shenzhen Co., Ltd.	Shenzhen, China	100%	December 31	August 28, 2007	Sell Display products	CNY 4
LG Display Singapore Pte. Ltd.	Singapore	100%	December 31	January 12, 2009	Sell Display products	USD 1.1
L&T Display Technology (Fujian) Limited	Fujian, China	51%	December 31	January 5, 2010	Manufacture and sell LCD module and LCD monitor sets	CNY 116
LG Display Yantai Co., Ltd.	Yantai, China	100%	December 31	April 19, 2010	Manufacture Display products	CNY 1,008
Nanumnuri Co., Ltd.	Gumi, South Korea	100%	December 31	March 21, 2012	Janitorial services	KRW 800

LG Display (China) Co., Ltd.(*1)	Guangzhou, China	70%	December 31	December 10, 2012	Manufacture and sell Display products	CNY 8,232
Unified Innovative Technology, LLC	Wilmington, U.S.A.	100%	December 31	March 12, 2014	Manage intellectual property	USD 9
LG Display Guangzhou Trading Co., Ltd.	Guangzhou, China	100%	December 31	April 28, 2015	Sell Display products	CNY 1.2
Global OLED Technology, LLC	Herndon, U.S.A.	100%	December 31	December 18, 2009	Manage OLED intellectual property	USD 138
LG Display Vietnam Haiphong Co., Ltd.	Haiphong, Vietnam	100%	December 31	May 5, 2016	Manufacture Display products	USD 100
Suzhou Lehui Display Co., Ltd.	Suzhou, China	100%	December 31	July 1, 2016	Manufacture and sell LCD module and LCD monitor sets	CNY 637
Money Market Trust(*2)	Seoul, South Korea	100%	December 31		Money market trust	KRW 157,335

(*1) In September 2017, LG Display Guangzhou Co., Ltd. (LGDGZ) contributed ₩8,557 million in cash for the capital increase of LG Display (China) Co., Ltd. (LGDCA).

(*2) For the nine-month period ended September 30, 2017, the Controlling Company acquired ₩157,335 million in Money Market Trust.

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2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The condensed consolidated interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs) No.1034, *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended December 31, 2016.

(b) **Basis of Measurement**

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

derivative instruments, financial assets at fair value through profit or loss and available-for-sale financial assets are measured at fair value, and

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

(c) **Functional and Presentation Currency**

The condensed consolidated interim financial statements are presented in Korean won, which is the Controlling Company's functional currency.

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in its consolidated financial statements as of and for the year ended December 31, 2016.

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3. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Group in the preparation of its condensed consolidated interim financial statements are the same as those followed by the Group in its preparation of the consolidated financial statements as of and for the year ended December 31, 2016, except for the application of K-IFRS No. 1034, *Interim Financial Reporting*, and the amended accounting standards explained below:

(a) **Changes in Accounting Policies**

(i) **K-IFRS No. 1007, *Statement of Cash Flows***

The Group has adopted the amendment to K-IFRS No. 1007, *Statement of Cash Flows*, since January 1, 2017. The amendment to K-IFRS No. 1007 is part of the disclosure initiative to improve presentation and disclosure in financial statements and requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes due to cash flows and non-cash changes such as changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates and changes in fair value and other changes. The Group has applied the amendment and disclosed changes in liabilities arose from financing activities including both changes due to cash flows and non-cash changes in note 26.

(ii) **K-IFRS No. 1012, *Income Taxes***

The Group has adopted the amendment to K-IFRS No. 1012, *Income Taxes*, since January 1, 2017. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendment provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. There is no impact of applying this amendment on the condensed consolidated interim financial statements.

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3. Summary of Significant Accounting Policies, Continued

(b) New and Amended Standards and Interpretations Not Yet Adopted

A number of new standards and interpretations are effective for annual periods beginning after January 1, 2017 and earlier application is permitted; however, the Group has not early adopted the following new standards and interpretations in preparing these condensed consolidated interim financial statements.

(i) K-IFRS No. 1109, *Financial Instruments*

The Group plans to adopt K-IFRS No. 1109, *Financial Instruments*, in its consolidated financial statements for annual periods beginning on January 1, 2018, assess the financial impact of the adoption of K-IFRS No. 1109 and disclose the results in its consolidated financial statements for the year ending December 31, 2017. As of September 30, 2017, other than the potential impacts described in the consolidated financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(ii) K-IFRS No. 1115, *Revenue from Contracts with Customers*

The Group plans to adopt K-IFRS No. 1115, *Revenue from Contracts with Customers*, in its consolidated financial statements for annual periods beginning on January 1, 2018, assess the financial impact of the adoption of K-IFRS No. 1115 and disclose the results in its consolidated financial statements for the year ending December 31, 2017. As of September 30, 2017, other than the potential impacts described in the consolidated financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(iii) K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*

According to the new interpretation, K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. K-IFRS No. 2122 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact on its condensed consolidated interim financial statements resulting from the application of new interpretation.

Table of Contents4. Cash and Cash Equivalents and Deposits in Banks

Cash and cash equivalents and deposits in banks as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current assets		
Cash and cash equivalents		
Demand deposits	₩ 1,974,036	1,558,696
Deposits in banks		
Time deposits	₩ 1,255,624	1,091,364
Restricted cash (*)	72,386	72,386
	₩ 1,328,010	1,163,750
Non-current assets		
Deposits in banks		
Restricted cash (*)	₩ 11	13
	₩ 3,302,057	2,722,459

(*) Restricted cash includes mutual growth fund to aid LG Group's second and third-tier suppliers, pledge to enforce investment plans according to the receipt of subsidies from Gumi city and Gyeongsangbuk-do and others.

Table of Contents5. Receivables and Other Assets

(a) Trade accounts and notes receivable as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Trade, net	₩ 3,854,287	3,916,171
Due from related parties	993,580	1,041,822
	₩ 4,847,867	4,957,993

(b) Other accounts receivable as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current assets		
Non-trade receivable, net	₩ 75,007	134,161
Accrued income	12,409	9,431
	₩ 87,416	143,592

Due from related parties included in other accounts receivable, as of September 30, 2017 and December 31, 2016 are ₩4,292 million and ₩5,231 million, respectively.

Table of Contents5. Receivables and Other Assets, Continued

- (c) The aging of trade accounts and note receivable, other accounts receivable and long-term non-trade receivable as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017					
	Book value			Impairment loss		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 4,847,723	78,966	8,738	(1,906)	(359)	
Past due 1-15 days	1,681	8,325		(5)	(5)	
Past due 16-30 days	253	10				
Past due 31-60 days	80	175			(1)	
Past due more than 60 days	41	703			(398)	
	₩ 4,849,778	88,179	8,738	(1,911)	(763)	

Table of Contents5. Receivables and Other Assets, Continued*(In millions of won)*

	December 31, 2016					
	Book value			Impairment loss		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 4,958,591	140,893	2,643	(1,488)	(669)	(23)
Past due 1-15 days	386	2,298			(20)	
Past due 16-30 days	417	309				
Past due 31-60 days	65	640			(6)	
Past due more than 60 days	22	545			(398)	
	₩ 4,959,481	144,685	2,643	(1,488)	(1,093)	(23)

The movement in the allowance for impairment in respect of trade accounts and notes receivable, other accounts receivable and long-term non-trade receivable for the nine-month period ended September 30, 2017 and the year ended December 31, 2016 are as follows:

(In millions of won)

	2017			2016		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Balance at the beginning of the period	₩ 1,488	1,093	23	1,507	566	52
(Reversal of) bad debt expense	423	(330)	(23)	(19)	527	(29)
Balance at the reporting date	₩ 1,911	763		1,488	1,093	23

Table of Contents5. Receivables and Other Assets, Continued

(d) Other assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>		September 30, 2017	December 31, 2016
Current assets			
Advance payments	₩	7,349	9,297
Prepaid expenses		162,598	74,657
Value added tax refundable		228,193	259,808
Emission rights		10,400	
	₩	408,540	343,762
Non-current assets			
Long-term prepaid expenses	₩	408,856	358,424
Long-term advanced payment			1,000
	₩	408,856	359,424

6. Other Financial Assets

(a) Other financial assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>		September 30, 2017	December 31, 2016
Current assets			
Available-for-sale financial assets	₩	6	
Deposits		5,315	20,320
Short-term loans		18,469	7,696
	₩	23,790	28,016
Non-current assets			
Financial asset at fair value through profit or loss	₩	1,382	1,382
Available-for-sale financial assets		6,772	7,993
Deposits		26,535	27,635
Long-term loans		19,653	34,760
Long-term non-trade receivable		8,738	2,619
Derivatives(*)		442	244
	₩	63,522	74,633

Other financial assets of related parties as of September 30, 2017 and December 31, 2016 are ₩1,000 million and ₩3,488 million, respectively.

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

Table of Contents6. Other Financial Assets, Continued

(b) Available-for-sale financial assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current assets		
Debt securities		
Government bonds	₩ 6	
Non-current assets		
Debt securities		
Government bonds	₩ 156	154
Equity securities		
Intellectual Discovery, Ltd.	₩ 729	729
Kyulux, Inc.	1,968	3,266
Henghao Technology Co., Ltd.	1,559	1,559
ARCH Venture Fund Vill, L.P.	2,360	2,285
	₩ 6,616	7,839
	₩ 6,778	7,993

7. Inventories

Inventories as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Finished goods	₩ 1,115,425	930,818
Work-in-process	802,723	685,913
Raw materials	461,111	354,791
Supplies	284,773	316,263
	₩ 2,664,032	2,287,785

For the nine-month periods ended September 30, 2017 and 2016, the amount of inventories recognized as cost of sales, inventory write-downs and reversal and usage of inventory write-downs included in cost of sales are as follows:

<i>(In millions of won)</i>	2017	2016
Inventories recognized as cost of sales	₩ 16,175,486	16,391,890
Including: inventory write-downs	253,311	330,705
Including: reversal and usage of inventory write-downs	(204,123)	(363,755)

Table of Contents8. Investments in Equity Accounted Investees

Associates as of September 30, 2017 are as follows:

(In millions of won)

Associates	Location	Percentage of ownership		Fiscal year end	Date of incorporation	Business	Carrying amount
		September 30, 2017	December 31, 2016				
Paju Electric Glass Co., Ltd.	Paju, South Korea	40%	40%	December 31	January 2005	Manufacture electric glass for FPDs	₩ 48,236
New Optics Ltd.	Yangju, South Korea		46%	December 31	August 2005	Manufacture back light parts for TFT-LCDs	
INVENIA Co., Ltd.(*1)	Seongnam, South Korea	13%	13%	December 31	January 2001	Develop and manufacture equipment for FPDs	3,161
WooRee E&L Co., Ltd.(*1)	Ansan, South Korea	14%	14%	December 31	June 2008	Manufacture LED back light unit packages	7,407
LB Gemini New Growth Fund No. 16(*2)	Seoul, South Korea	31%	31%	December 31	December 2009	Invest in small and middle sized companies and benefit from M&A opportunities	5,761
Can Yang Investments Limited(*1)(*3)	Hong Kong	9%	9%	December 31	January 2010	Develop, manufacture and sell LED parts	2,063
YAS Co., Ltd.(*1)	Paju, South Korea	15%	18%	December 31	April 2002	Develop and manufacture deposition	10,665

Narenanotech Corporation	Yongin, South Korea		23%	December 31	December 1995	equipment for OLEDs Manufacture and sell FPD manufacturing equipment	
AVATEC Co., Ltd.(*1)	Daegu, South Korea	17%	17%	December 31	August 2000	Process and sell glass for FPDs	22,123
Arctic Sentinel, Inc.(*1)	Los Angles, U.S.A.	10%	10%	March 31	June 2008	Develop and manufacture tablet for kids	
CYNORA GmbH (*1)(*4)	Bruchsal, Germany	14%		December 31	March 2003	Develop organic emitting materials for displays and lighting devices	20,308

₩ 119,724

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8. Investments in Equity Accounted Investees, Continued

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

(*2) The Controlling Company is a member of a limited partnership in the LB Gemini New Growth Fund No.16 (the Fund). For the nine-month period ended September 30, 2017, the Controlling Company received ₩2,076 million from the Fund as capital distribution and there were no changes in the Controlling Company's ownership percentage in the Fund. On the other hand, a resolution to dissolve the fund was approved at the general meeting and the fund is in process of liquidation as of September 30, 2017. Accordingly, there were no additional investments for the nine-month period ended September 30, 2017.

(*3) The Controlling Company recognized an impairment loss of ₩4,234 million as finance cost for the difference between the carrying amount and the recoverable amount of investments in Can Yang Investments Limited.

(*4) In September 2017, the Controlling Company invested ₩20,308 million and acquired 88,584 shares of preferred stock with voting rights in CYNORA GmbH. As of September 30, 2017, the Controlling Company's ownership percentage in CYNORA GmbH is 14% and the Controlling Company has the right to appoint a director to the board of directors of the investee.

For the nine-month period ended September 30, 2017, the Controlling Company disposed of the entire investments in New Optics Ltd. and Narenanotech Corporation.

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9. Property, Plant and Equipment

For the nine-month periods ended September 30, 2017 and 2016, the Group purchased property, plant and equipment of ₩5,036,458 million and ₩3,203,954 million, respectively. The capitalized borrowing costs and the annualized capitalization rate were ₩29,963 million and 1.89%, and ₩8,025 million and 2.17% for the nine-month periods ended September 30, 2017 and 2016, respectively. Also, for the nine-month periods ended September 30, 2017 and 2016, the Group disposed of property, plant and equipment with carrying amounts of ₩71,627 million and ₩28,345 million, respectively, and recognized ₩14,259 million and ₩9,340 million as gain and loss, respectively, on disposal of property, plant and equipment for the nine-month period ended September 30, 2017 (gain and loss for the nine-month period ended September 30, 2016: ₩7,662 million and ₩3,122 million, respectively).

10. Intangible Assets

The Group capitalizes expenditures related to development activities, such as expenditures incurred on designing, manufacturing and testing of products after those related activities meet the capitalization criteria of development costs including technical feasibility, future economic benefits and others. The balances of capitalized development costs as of September 30, 2017 and December 31, 2016 are ₩288,642 million and ₩256,340 million, respectively.

Table of Contents11. Financial Liabilities

(a) Financial liabilities as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current		
Short-term borrowings	₩	113,209
Current portion of long-term debt	1,218,849	554,700
	₩ 1,218,849	667,909
Non-current		
Won denominated borrowings	₩ 1,221,421	821,922
Foreign currency denominated borrowings	1,522,686	1,777,877
Bonds	1,421,346	1,511,062
Derivatives(*)	79	472
	₩ 4,165,532	4,111,333

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

(b) Short-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won, USD)

Lender	Annual interest rate as of September 30, 2017 (%)	September 30, 2017	December 31, 2016
Standard Chartered Bank Korea Limited		₩	113,209
Foreign currency equivalent			USD 94

(c) Won denominated long-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

Lender	Annual interest rate as of September 30, 2017 (%)	September 30, 2017	December 31, 2016
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Woori Bank	3-year Korean Treasury Bond rate - 1.25, 2.75	₩	2,092	2,991
Shinhan Bank	CD rate (91days) + 0.30		200,000	200,000
Korea Development Bank and others	CD rate (91days) + 0.64~0.74 2.28~2.58		1,020,000	620,000
Less current portion of long-term borrowings			(671)	(1,069)
		₩	1,221,421	821,922

Table of Contents11. Financial Liabilities, Continued

- (d) Foreign currency denominated long-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won, USD and CNY)

Lender	Annual interest rate		September 30, 2017	December 31, 2016
	as of September 30, 2017 (%)	(*)		
The Export-Import Bank of Korea and others	3ML+0.55~1.04	₩	808,423	1,027,225
Standard Chartered Bank Korea Limited				8,469
China Construction Bank and others	USD: 3ML+0.80~2.00 CNY: 4.28		1,352,718	926,058
Foreign currency equivalent			USD 1,395 CNY 3,263	USD 1,157 CNY 3,264
Less current portion of long-term borrowings			(638,455)	(183,875)
		₩	1,522,686	1,777,877

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

- (e) Details of bonds issued and outstanding as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

Won denominated bonds(*)	Maturity	Annual interest rate		September 30, 2017	December 31, 2016
		as of September 30, 2017 (%)			
Publicly issued bonds	October 2017 ~ June 2022	1.73~3.73	₩	2,005,000	1,885,000
Less discount on bonds				(3,931)	(4,182)
Less current portion				(579,723)	(369,756)
			₩	1,421,346	1,511,062

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

Table of Contents**12. Employee Benefits**

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

(a) Net defined benefit liabilities recognized as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Present value of partially funded defined benefit obligations	₩ 1,523,269	1,401,396
Fair value of plan assets	(1,225,963)	(1,258,409)
	₩ 297,306	142,987

(b) Expenses recognized in profit or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Current service cost	₩ 49,034	52,705	146,885	158,124
Net interest cost	598	2,569	1,794	7,709
	₩ 49,632	55,274	148,679	165,833

(c) Plan assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Guaranteed deposits in banks	₩1,225,963	1,258,409

As of September 30, 2017, the Controlling Company maintains the plan assets primarily with Mirae Asset Daewoo Co., Ltd., Shinhan Bank and others.

(d) Remeasurements of the net defined benefit liabilities included in other comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month		For the nine-month	
	periods ended September 30		periods ended September 30	
	2017	2016	2017	2016
Remeasurements of net defined benefit liabilities	₩ (3,639)	(1,033)	(11,963)	(3,817)
Tax effect	881	250	2,895	924
Remeasurements of net defined benefit liabilities, net of income tax	₩ (2,758)	(783)	(9,068)	(2,893)

Table of Contents13. Provisions and Other Liabilities

(a) Changes in provisions for the period ended September 30, 2017 are as follows:

(In millions of won)

	Warranties (*)	Others	Total
Balance at January 1, 2017	₩ 62,462	1,665	64,127
Additions	164,110	877	164,987
Usage	(131,257)		(131,257)
Balance at September 30, 2017	₩ 95,315	2,542	97,857
Current	₩ 71,272	2,542	73,814
Non-current	₩ 24,043		24,043

(*) The provision for warranties covers defective products and is normally applicable for 18 months from the date of purchase. The warranty liability is calculated by using historical and anticipated rates of warranty claims, and costs per claim to satisfy the Group's warranty obligation.

(b) Other liabilities as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Current liabilities		
Withholdings	₩ 37,809	40,190
Unearned revenues	6,587	8,776
	₩ 44,396	48,966
Non-current liabilities		
Long-term accrued expenses	₩ 69,753	65,616
Long-term other accounts payable	159	3,530
	₩ 69,912	69,146

Table of Contents14. Contingencies and Commitments

(a) Legal Proceedings

Delaware Display Group LLC and Innovative Display Technologies LLC (DDG and IDT)

In December 2013, Delaware Display Group LLC and Innovative Display Technologies LLC filed a patent infringement case (First Case) against the Controlling Company and LG Display America, Inc. in the United States District Court for the District of Delaware and DDG and IDT filed a new patent infringement case against the Controlling Company and LG Display America, Inc. over the three patents that were dismissed without prejudice from the First Case in December 2015. Additionally, in August 2016, Innovative Display Technologies LLC filed a new patent infringement case against the Controlling Company and LG Display America, Inc. in the United States District Court for the Eastern District of Texas with respect to two new patents. In March 2017, the parties reached settlements in principle through mediation. In April 2017, the parties filed a stipulation of dismissal and amicably settled all claims asserted in the above-mentioned patent litigations.

Surpass Tech Innovation LLC

In March 2014, Surpass Tech Innovation LLC filed a complaint in the United States District Court for the District of Delaware against the Controlling Company and LG Display America, Inc. for alleged patent infringement. In April 2017, the case was terminated pursuant to a stipulation of dismissal filed by Surpass Tech Innovation LLC.

Others

The Group is defending against various claims in addition to pending proceedings described above. The Group does not have a present obligation for these matters and has not recognized any provision at September 30, 2017.

(b) Commitments

Factoring and securitization of accounts receivable

The Controlling Company has agreements with Korea Development Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD 1,793 million (~~₩~~2,056,584 million) in connection with the Controlling Company's export sales transactions with its subsidiaries. As of September 30, 2017, no short-term borrowings were outstanding in connection with these agreements. In connection with all of the contracts in this paragraph, the Controlling Company has sold its accounts receivable with recourse.

Table of Contents14. Contingencies and Commitments, Continued

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

(In millions of USD and KRW)

Classification	Financial institutions	Maximum Contractual amount	KRW Contractual equivalent amount	Not yet due Contractual amount	KRW Contractual equivalent amount
Controlling Company	Shinhan Bank	KRW 90,000	90,000		
	Sumitomo Mitsui Banking Corporation	USD 20	22,934		
	Bank of Tokyo-Mitsubishi UFJ	USD 70	80,269		
	BNP Paribas	USD 150	172,005		
		USD 240			
		KRW 90,000	365,208		
Subsidiaries					
LG Display Singapore Pte. Ltd.	Standard Chartered Bank	USD 300	344,010		
LG Display Taiwan Co., Ltd.	BNP Paribas	USD 82	94,029		
	Hongkong & Shanghai Banking Corp.	USD 60	68,802		
	Taishin International Bank	USD 280	321,076		
	Sumitomo Mitsui Banking Corporation	USD 100	114,670		
LG Display Germany GmbH	Citibank	USD 160	183,472		
	BNP Paribas	USD 75	86,003		
LG Display America, Inc.	Hongkong & Shanghai Banking Corp.	USD 400	458,680		
	Standard Chartered Bank	USD 400	458,680		
	Sumitomo Mitsui Banking Corporation	USD 250	286,675		
	Sumitomo Mitsui Banking Corporation	USD 90	103,203		
LG Display Japan Co., Ltd.	Sumitomo Mitsui Industrial and Commercial Bank of China	USD 64	73,389		

USD 2,261	2,592,689
USD 2,501	
KRW 90,000	2,957,897

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

Table of Contents**14. Contingencies and Commitments, Continued****Letters of credit**

As of September 30, 2017, the Controlling Company has agreements in relation to the opening of letters of credit up to USD 30 million (₩34,401 million) with KEB Hana Bank, USD 80 million (₩91,736 million) with Bank of China and USD 50 million (₩57,335 million) with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Controlling Company obtained payment guarantees amounting to USD 900 million (₩1,032,030 million) from KEB Hana Bank and others for advance received related to the long-term supply agreements and USD 8.5 million (₩9,747 million) from Shinhan bank for value added tax payments in Poland.

LG Display (China) Co., Ltd. and other subsidiaries are provided with payment guarantees from the Bank of China and other various banks amounting to CNY 3,760 million (₩648,036 million), JPY 700 million (₩7,143 million), EUR 2.5 million (₩3,377 million), VND 40,922 million (₩2,070 million), USD 0.5 million (₩573 million) and PLN 0.2 million (₩63 million), respectively, for their local tax payments and utility payments.

Credit facility

LG Display Vietnam Co., Ltd. and other subsidiary have entered into long-term credit facility agreements of up to USD 525 million (₩602,018 million) with Sumitomo Mitsui Banking Corporation and other various banks and borrowings as of September 30, 2017 amount to USD 390 million (₩447,213 million).

License agreements

As of September 30, 2017, in relation to its LCD business, the Group has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.

Long-term supply agreement

As of September 30, 2017, in connection with long-term supply agreements with customers, the Controlling Company USD 900 million (₩1,032,030 million) in long-term advance. The advance received will be offset against outstanding accounts receivable balances after a given period of time, as well as those arising from the supply of products thereafter. The Controlling Company received payment guarantees amounting to USD 900 million (₩1,032,030 million) from KEB Hana Bank and other various banks relating to advance received.

Pledged Assets

Regarding the secured bank loan amounting to USD 300 million (₩343,161 million) and CNY 1,964 million (₩338,461 million) from China Construction Bank, as of September 30, 2017, the Group provided its property, plant and equipment and others with carrying amount of ₩425,314 million as pledged assets.

Table of Contents15. Capital and Reserves

(a) Share capital

The Controlling Company is authorized to issue 500,000,000 shares of capital stock (par value ₩5,000), and as of September 30, 2017 and December 31, 2016, the number of issued common shares is 357,815,700. There have been no changes in the capital stock from January 1, 2016 to September 30, 2017.

(b) Reserves

Reserves consist mainly of the following:

Translation reserve

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

Other comprehensive loss from associates and joint venture

The other comprehensive loss from associates and joint venture comprises the amount related to change in equity of investments in equity accounted investees.

Reserves as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Foreign currency translation differences for foreign operations	₩ (61,335)	(59,042)
Other comprehensive loss from associates (excluding remeasurements)	(27,069)	(29,436)
	₩ (88,404)	(88,478)

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16. Revenue

Details of revenue for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
	Sales of goods	₩ 6,962,663	6,714,672	20,627,084
Royalties	4,584	1,651	15,799	10,217
Others	5,848	7,452	21,260	16,646
	₩ 6,973,095	6,723,775	20,664,143	18,568,118

17. Geographic and Other Information

The following is a summary of sales by region based on the location of the customers for the three-month and nine-month periods ended September 30, 2017 and 2016.

(a) Revenue by geography

(In millions of won)

Region	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Domestic	₩ 420,259	435,018	1,425,205	1,425,064
Foreign				
China	4,534,031	4,717,986	13,466,122	12,733,440
Asia (excluding China)	662,844	477,990	1,881,814	1,558,662
The Americas	757,264	606,738	2,050,958	1,485,808
Europe (excluding Poland)	383,288	281,774	1,009,403	648,331
Poland	215,409	204,269	830,641	716,813
Sub total	₩ 6,552,836	6,288,757	19,238,938	17,143,054
Total	₩ 6,973,095	6,723,775	20,664,143	18,568,118

Sales to Company A and Company B amount to ₩6,458,984 million and ₩4,784,436 million, respectively, for the nine-month period ended September 30, 2017 (the nine-month period ended September 30, 2016: ₩6,114,130 million and ₩4,247,605 million). The Group's top ten end-brand customers together accounted for 80% of sales for the nine-month period ended September 30, 2017 (the nine-month period ended September 30, 2016: 81%).

Table of Contents17. Geographic and Other Information, Continued

(b) Non-current assets by geography

(In millions of won)

Region	September 30, 2017		December 31, 2016	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Domestic	₩ 11,136,880	697,218	8,758,171	673,966
Foreign				
China	3,294,479	18,156	3,079,724	23,298
Others	572,782	173,218	193,554	197,673
Sub total	3,867,261	191,374	3,273,278	220,971
Total	₩ 15,004,141	888,592	12,031,449	894,937

(c) Revenue by product and services

(In millions of won)

Product	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Panels for:				
Televisions	₩ 2,828,842	2,595,755	8,871,495	7,111,441
Desktop monitors	1,144,986	1,080,550	3,355,549	2,925,806
Tablet products	630,351	611,282	1,702,224	2,022,838
Notebook computers	513,477	623,805	1,627,822	1,687,761
Mobile and others	1,855,439	1,812,383	5,107,053	4,820,272
	₩ 6,973,095	6,723,775	20,664,143	18,568,118

Table of Contents18. The Nature of Expenses and Others

The classification of expenses by nature for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Changes in inventories	₩ (320,648)	(38,877)	(376,247)	(140,286)
Purchases of raw materials, merchandise and others	3,730,920	3,780,682	10,131,999	10,205,881
Depreciation and amortization	834,107	700,345	2,329,103	2,301,625
Outsourcing fees	205,591	195,384	559,830	596,196
Labor costs	789,156	762,574	2,318,758	2,298,548
Supplies and others	334,926	247,733	887,204	733,883
Utility	235,905	221,814	636,247	629,540
Fees and commissions	170,389	159,999	507,608	467,642
Shipping costs	60,732	56,264	183,161	159,282
Advertising	51,400	16,683	140,858	44,519
Warranty expenses	37,858	34,065	164,110	109,258
Taxes and dues	18,199	18,674	69,059	56,422
Travel	23,543	17,623	65,274	54,061
Others	222,625	253,055	655,465	691,021
	₩ 6,394,703	6,426,018	18,272,429	18,207,592

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

Table of Contents**19. Selling and Administrative Expenses**

Details of selling and administrative expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Salaries	₩ 78,565	72,692	237,005	212,791
Expenses related to defined benefit plans	6,826	7,504	20,627	22,432
Other employee benefits	25,825	23,307	70,832	64,290
Shipping costs	50,956	47,761	157,296	134,231
Fees and commissions	49,501	45,467	144,775	141,029
Depreciation	34,971	31,253	103,670	98,236
Taxes and dues	7,314	7,881	35,445	22,469
Advertising	51,400	16,683	140,858	44,519
Warranty expenses	37,858	34,065	164,110	109,258
Rent	6,384	6,294	20,243	19,043
Insurance	3,131	3,362	9,365	8,234
Travel	7,047	5,230	20,704	17,171
Training	5,003	3,296	13,459	11,762
Others	18,661	13,181	51,189	37,413
	₩ 383,442	317,976	1,189,578	942,878

20. Personnel Expenses

Details of personnel expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Salaries and wages	₩ 651,558	618,783	1,920,447	1,848,953
Other employee benefits	119,113	112,564	346,674	343,368
Contributions to National Pension plan	18,572	18,012	54,324	51,693
Expenses related to defined benefit plan	49,632	55,274	148,679	165,833
	₩ 838,875	804,633	2,470,124	2,409,847

Table of Contents21. Other Non-operating Income and Other Non-operating Expenses

- (a) Details of other non-operating income for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Foreign currency gain	₩ 223,696	211,730	744,635	826,063
Gain on disposal of property, plant and equipment	907	711	14,259	7,662
Gain on disposal of intangible assets			308	
Rental income	612	1,023	1,490	3,711
Others	1,585	18,066	6,590	23,512
	₩ 226,800	231,530	767,282	860,948

- (b) Details of other non-operating expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Foreign currency loss	₩ 198,270	309,939	848,464	948,627
Loss on disposal of property, plant and equipment	3,970	634	9,340	3,122
Loss on disposal of intangible assets	9		9	20
Impairment loss on intangible assets	40	40	1,717	125
Donations	2,301	12,550	12,753	17,387
Expenses related to legal proceedings or claims and others	1,281	12,182	1,609	25,895
	₩ 205,871	335,345	873,892	995,176

Table of Contents22. Finance Income and Finance Costs

- (a) Finance income and costs recognized in profit and loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Finance income				
Interest income	₩ 16,953	10,188	41,246	30,650
Foreign currency gain	18,462	73,004	119,232	122,710
Gain on disposal of investments in equity accounted investees		8,303		8,303
Gain on transaction of derivatives		1,271	3,106	3,811
Gain on valuation of derivatives	337		592	
	₩ 35,752	92,766	164,176	165,474
Finance costs				
Interest expense	₩ 23,342	28,045	70,628	88,211
Foreign currency loss	21,860	16,428	73,074	71,976
Loss on disposal of investments in equity accounted investees		260	42,023	5,622
Loss on impairment of investments in equity accounted investees			4,234	6,137
Loss on impairment of available-for-sale financial assets			1,298	
Loss on sale of trade accounts and notes receivable	272	719	421	2,717
Loss on transaction of derivatives	150	1,382	361	3,762
Loss on valuation of derivatives		13,338		12,715
Other	330	322	922	940
	₩ 45,954	60,494	192,961	192,080

- (b) Finance income and costs recognized in other comprehensive income or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Net change in fair value of available-for-sale financial assets	₩			(77)

Tax effect		19
Finance income (costs) recognized in other comprehensive income or loss after tax	₩	(58)

Table of Contents23. Income Taxes

- (a) Details of income tax expense for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Current tax expense	₩ 188,966	51,205	502,952	134,572
Deferred tax expense (benefit)	(67,487)	7,692	(107,699)	10,321
Income tax expense	₩ 121,479	58,897	395,253	144,893

(b) Deferred Tax Assets and Liabilities

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

Deferred tax assets and liabilities as of September 30, 2017 and December 31, 2016 are attributable to the following:

<i>(In millions of won)</i>	Assets		Liabilities		Total	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Other accounts receivable, net	₩		(1,404)	(1,190)	(1,404)	(1,190)
Inventories, net	47,487	35,771			47,487	35,771
Defined benefit liabilities, net	49,719	10,817			49,719	10,817
Investments in subsidiaries and associates	38,305	34,777			38,305	34,777
Accrued expenses	127,478	122,998			127,478	122,998
Property, plant and equipment	374,006	338,860			374,006	338,860
Intangible assets	3,323	744	(27,320)	(31,771)	(23,997)	(31,027)
Provisions	23,217	15,051			23,217	15,051
Gain or loss on foreign currency translation, net	11	11			11	11
Others	25,005	21,435			25,005	21,435
Tax credit carryforwards	285,670	287,400			285,670	287,400
Deferred tax assets (liabilities)	₩ 974,221	867,864	(28,724)	(32,961)	945,497	834,903

Statutory tax rate applicable to the Controlling Company is 24.2% for the nine-month period ended September 30, 2017. Meanwhile, effective tax rate for the nine-month period ended September 30, 2017 decreased primarily due to change of the probability of utilizing deferred tax assets including tax credit carryforwards.

Table of Contents24. Earnings Per Share

- (a) Basic earnings per share for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In won and number of shares)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Profit for the period	₩ 441,981,942,670	177,824,586,727	1,765,772,319,875	108,675,894,795
Weighted-average number of common stocks outstanding	357,815,700	357,815,700	357,815,700	357,815,700
Earnings per share	₩ 1,235	497	4,935	304

For the three-month and nine-month periods ended September 30, 2017 and 2016, there were no events or transactions that resulted in changes in the number of common stocks used for calculating earnings per share.

- (b) Diluted earnings per share for the nine-month periods ended September 30, 2017 and 2016 are not calculated since there was no potential common stock.

25. Financial Risk Management

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

(a) Market risk

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

(i) Currency risk

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

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

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

Table of Contents25. Financial Risk Management, Continuedi) Exposure to currency risk

The Group's exposure to foreign currency risk based on notional amounts as of September 30, 2017 and December 31, 2016 is as follows:

(In millions)

	September 30, 2017						
	USD	JPY	CNY	TWD	EUR	PLN	VND
Cash and cash equivalents	492	243	4,132	35	3	149	1,081,797
Deposits in banks			1,700				
Trade accounts and notes receivable	3,799	2	896				
Non-trade receivable	10	1,491	54	4	6		639
Other assets denominated in foreign currencies	1	206	115	6			1,947
Trade accounts and notes payable	(1,222)	(14,603)	(2,484)				(46,647)
Other accounts payable	(209)	(11,971)	(1,411)	(6)	(6)	(3)	(1,225,052)
Long-term other account payable			(1)				
Debt	(1,395)		(3,263)				
Net exposure	1,476	(24,632)	(262)	39	3	146	(187,316)

Table of Contents25. Financial Risk Management, Continued*(In millions)*

	December 31, 2016						
	USD	JPY	CNY	TWD	EUR	PLN	VND
Cash and cash equivalents	518	308	3,785	36	1	77	338,770
Deposits in banks			500				
Trade accounts and notes receivable	3,558	10	1,776				
Non-trade receivable	52	2,434	199	12		2	
Long-term non-trade receivable	2						
Other assets denominated in foreign currencies	1	259	210	6			506
Trade accounts and notes payable	(1,204)	(14,940)	(2,567)				
Other accounts payable	(397)	(9,836)	(771)	(7)	(2)	(5)	(665,869)
Debt	(1,251)		(3,264)				
Net exposure	1,279	(21,765)	(132)	47	(1)	74	(326,593)

Average exchange rates applied for the nine-month periods ended September 30, 2017 and 2016 and the exchange rates at September 30, 2017 and December 31, 2016 are as follows:

(In won)

	Average rate		Reporting date spot rate	
	2017	2016	September 30, 2017	December 31, 2016
USD	₩ 1,138.67	1,161.32	₩ 1,146.70	1,208.50
JPY	10.18	10.70	10.20	10.37
CNY	167.49	176.22	172.35	173.26
TWD	37.28	35.83	37.74	37.41
EUR	1,267.31	1,296.67	1,350.87	1,267.60
PLN	297.15	297.66	312.96	287.62
VND	0.0501	0.0520	0.0505	0.0531

Table of Contents25. Financial Risk Management, Continuedii) Sensitivity analysis

A weaker won, as indicated below, against the following currencies which comprise the Group's assets or liabilities denominated in foreign currency as of September 30, 2017 and December 31, 2016, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considers to be reasonably possible as of the end of reporting period. The analysis assumes that all other variables, in particular interest rates, would remain constant. The changes in equity and profit or loss would have been as follows:

<i>(In millions of won)</i>	September 30, 2017		December 31, 2016	
	Equity	Profit or loss	Equity	Profit or loss
USD (5 percent weakening)	₩ 54,056	95,747	57,111	63,337
JPY (5 percent weakening)	(9,676)	(9,056)	(8,972)	(7,237)
CNY (5 percent weakening)	(1,328)	(2,919)	(3,410)	7,077
TWD (5 percent weakening)	74	1	88	
EUR (5 percent weakening)	7	581	(40)	(79)
PLN (5 percent weakening)	2,354	(188)	1,129	(167)
VND (5 percent weakening)	(359)	(359)	(867)	

A stronger won against the above currencies as of September 30, 2017 and December 31, 2016 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk arises principally from the Group's debentures and borrowings. The Group establishes and applies its policy to reduce uncertainty arising from fluctuations in the interest rate and to minimize finance cost and manages interest rate risk by monitoring of trends of fluctuations in interest rate and establishing plan for countermeasures.

i) Profile

The interest rate profile of the Group's interest-bearing financial instruments as of September 30, 2017 and December 31, 2016 is as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Fixed rate instruments		
Financial assets	₩ 3,302,209	2,722,600
Financial liabilities	(2,723,141)	(2,203,378)

₩ 579,068 519,222

Variable rate instruments

Financial liabilities ₩ (2,661,161) (2,575,392)

Table of Contents25. Financial Risk Management, Continuedii) Equity and profit or loss sensitivity analysis for variable rate instruments

As of September 30, 2017 and December 31, 2016, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each 12-month period following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(In millions of won)

	Equity		Profit or loss	
	1%p increase	1%p decrease	1%p increase	1%p decrease
September 30, 2017				
Variable rate instruments(*)	₩(17,519)	17,519	(17,519)	17,519
December 31, 2016				
Variable rate instruments(*)	₩(16,868)	16,868	(16,868)	16,868

(*) Financial instruments subject to interest rate swap not qualified for hedging are excluded.

Table of Contents25. Financial Risk Management, Continued

(b) Credit risk

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

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

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

The Group does not establish allowances for receivables under insurance or receivables from customers with a high credit rating. For the rest of the receivables, the Group establishes an allowance for impairment of trade and other receivables that have been individually or collectively evaluated for impairment and estimated on the basis of historical loss experience for assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Cash and cash equivalents	₩ 1,974,036	1,558,696
Deposits in banks	1,328,021	1,163,763
Trade accounts and notes receivable, net	4,847,867	4,957,993
Non-trade receivable, net	75,007	134,161
Accrued income	12,409	9,431
Available-for-sale financial assets	162	154
Financial assets at fair value through profit or loss	1,382	1,382
Deposits	31,850	47,954
Short-term loans	18,469	7,696
Long-term loans	19,653	34,760
Long-term non-trade receivable	8,738	2,619
Derivatives	442	244
	₩ 8,318,036	7,918,853

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the sales and investing activities. Trade accounts and notes receivables are insured in order to manage credit risk and uninsured trade accounts and notes receivables are managed in accordance with the Group's management policy.

Table of Contents25. Financial Risk Management, Continued

(c) Liquidity risk

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

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

The following are the contractual maturities of financial liabilities, including estimated interest payments, as of September 30, 2017.

(In millions of won)

	Carrying amount	Total	Contractual cash flows					
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities :								
Secured bank loan	₩ 681,622	706,537	12,587	303,354	390,596			
Unsecured bank loans	2,701,611	2,845,359	32,039	376,263	1,342,509	1,010,033	84,515	
Unsecured bond issues	2,001,069	2,107,701	393,385	228,231	404,470	1,081,615		
Trade accounts and notes payable	2,962,856	2,962,856	2,962,856					
Other accounts payable	2,621,112	2,621,483	2,620,041	1,442				
Long-term other accounts payable	159	159			159			
Derivative financial liabilities	79	78	166	(88)				
	₩ 10,968,508	11,244,173	6,021,074	909,202	2,137,734	2,091,648	84,515	

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

Table of Contents25. Financial Risk Management, Continued

(d) Capital management

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

(In millions of won)

	September 30, 2017	December 31, 2016
Total liabilities	₩ 13,623,617	11,421,948
Total equity	15,168,112	13,462,388
Cash and deposits in banks (*1)	3,302,046	2,722,446
Borrowings (including bonds)	5,384,302	4,778,770
Total liabilities to equity ratio	90%	85%
Net borrowings to equity ratio (*2)	14%	15%

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

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

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25. Financial Risk Management, Continued

(e) Determination of fair value

(i) Measurement of fair value

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

i) Current Assets and Liabilities

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

ii) Trade Receivables and Other Receivables

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

iii) Investments in Equity and Debt Securities

The fair value of marketable available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of non-marketable securities is determined using valuation methods.

iv) Non-derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, except for the liabilities at FVTPL, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Table of Contents25. Financial Risk Management, Continued

(ii) Fair values versus carrying amounts

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

(In millions of won)

	September 30, 2017		December 31, 2016	
	Carrying amounts	Fair values	Carrying amounts	Fair values
Assets carried at fair value				
Available-for-sale financial assets	₩ 162	162	154	154
Financial assets at fair value through profit or loss	1,382	1,382	1,382	1,382
Derivatives	442	442	244	244
Assets carried at amortized cost				
Cash and cash equivalents	₩ 1,974,036	(*)	1,558,696	(*)
Deposits in banks	1,328,021	(*)	1,163,763	(*)
Trade accounts and notes receivable	4,847,867	(*)	4,957,993	(*)
Non-trade receivable	75,007	(*)	134,161	(*)
Accrued income	12,409	(*)	9,431	(*)
Deposits	31,850	(*)	47,954	(*)
Short-term loans	18,469	(*)	7,696	(*)
Long-term loans	19,653	(*)	34,760	(*)
Long-term non-trade receivable	8,738	(*)	2,619	(*)
Liabilities carried at fair value				
Derivatives	₩ 79	79	472	472
Liabilities carried at amortized cost				
Secured bank loans	₩ 681,622	681,622	700,820	700,820
Unsecured bank loans	2,701,611	2,708,187	2,197,132	2,200,522
Unsecured bond issues	2,001,069	2,014,187	1,880,818	1,903,863
Trade accounts and notes payable	2,962,856	(*)	2,877,326	(*)
Other accounts payable	2,621,112	2,621,461	2,449,517	2,449,938
Long-term other accounts payable	159	156	3,530	3,891

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

The basis for determining fair values above by the Group are consistent with those disclosed in the financial statements as of and for the year ended December 31, 2016.

Table of Contents25. Financial Risk Management, Continued

(iii) Financial Instruments measured at cost

Available-for-sale financial assets measured at cost as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Intellectual Discovery Co., Ltd.	₩ 729	729
Kyulux, Inc.	1,968	3,266
Henghao Technology Co., Ltd.	1,559	1,559
ARCH Venture Fund VIII, L.P	2,360	2,285
	₩ 6,616	7,839

Available-for-sale-financial assets consist of investments in equity securities and the fair value of some investments in equity securities are measured at cost because the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed since there is not a quoted price in an active market for an identical instrument.

Table of Contents25. Financial Risk Management, Continued

(iv) Fair values of financial assets and liabilities

i) Fair value hierarchy

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

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

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

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

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	Level			
	1	Level 2	Level 3	Total
September 30, 2017				
Assets				
Available-for-sale financial assets	₩ 162			162
Financial assets at fair value through profit or loss			1,382	1,382
Derivatives			442	442
Liabilities				
Derivatives			79	79
 <i>(In millions of won)</i>				
December 31, 2016				
Assets				
Available-for-sale financial assets	₩ 154			154
Financial assets at fair value through profit or loss			1,382	1,382
Derivatives			244	244
Liabilities				
Derivatives			472	472

Table of Contents25. Financial Risk Management, Continued

iii) Financial instruments not measured at fair value but for which the fair value is disclosed
Fair value hierarchy classifications, valuation technique and inputs for fair value measurements of the financial instruments not measured at fair value but for which the fair value is disclosed as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

Classification	September 30, 2017			Valuation technique	Input
	Level 1	Level 2	Level 3		
Liabilities					
Secured bank loans	₩		681,622	Discounted cash flow	Discount rate
Unsecured bank loans			2,708,187	Discounted cash flow	Discount rate
Unsecured bond issues			2,014,187	Discounted cash flow	Discount rate
Other accounts payable			2,621,461	Discounted cash flow	Discount rate
Long-term other accounts payable			156	Discounted cash flow	Discount rate

(In millions of won)

Classification	December 31, 2016			Valuation technique	Input
	Level 1	Level 2	Level 3		
Liabilities					
Secured bank loans	₩		700,820	Discounted cash flow	Discount rate
Unsecured bank loans			2,200,522	Discounted cash flow	Discount rate
Unsecured bond issues			1,903,863	Discounted cash flow	Discount rate
Other accounts payable			2,449,938	Discounted cash flow	Discount rate
Long-term other accounts payable			3,891	Discounted cash flow	Discount rate

iv) The interest rates applied for determination of the above fair value as of September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017	December 31, 2016
Debentures, loans and others	1.27~2.73%	1.48~2.68%

Table of Contents26. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities for the period ended September 30, 2017 are as follows:

(In millions of won)

	Cash flows from		Non-cash transactions			September 30,
	financing activities		Reclassification	Gain or loss on	Effective interest	2017
	January 1, 2017			foreign currency translation	adjustment	
Short-term borrowings	₩ 113,209	(113,209)				
Current portion of long-term debt	554,700	(364,774)	1,051,679	(23,214)	458	1,218,849
Long-term borrowings	2,599,799	847,702	(662,171)	(41,223)		2,744,107
Bonds	1,511,062	298,780	(389,508)		1,012	1,421,346
	₩ 4,778,770	668,499		(64,437)	1,470	5,384,302

Table of Contents27. Related Parties and Others

(a) Related parties

Related parties as of September 30, 2017 are as follows:

Classification	Description
Associates(*)	Paju Electric Glass Co., Ltd. and others
Subsidiaries of Associates	AVATEC Electronics Yantai Co., Ltd. and others
Entity that has significant influence over the Controlling Company	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Controlling Company	Subsidiaries of LG Electronics Inc.

(*) Details of associates are described in note 8.

Related parties other than associates that have transactions such as sales or balance of trade accounts and notes receivable and payable with the Group as of September 30, 2017 and December 31, 2016 are as follows:

Classification	September 30, 2017	December 31, 2016
Subsidiaries of Associates	Shinbo Electric Co., Ltd.	Shinbo Electric Co., Ltd. New Optics USA, Inc. NEWOPTIX RS. SA DE CV.
Entity that has significant influence over the Controlling Company	LG Electronics Inc. Hiplaza Co., Ltd.	LG Electronics Inc. Hiplaza Co., Ltd.
Subsidiaries of the entity that has significant influence over the Controlling Company	Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd. LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek Inspur LG Digital Mobile Communications Co., Ltd. Qingdao LG Inspur Digital Communication Co., Ltd. Hientech (Tianjin) Co., Ltd. P.T. LG Electronics Indonesia	Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd. LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek Inspur LG Digital Mobile Communications Co., Ltd. Qingdao LG Inspur Digital Communication Co., Ltd. Hientech (Tianjin) Co., Ltd. P.T. LG Electronics Indonesia LG Innotek Yantai Co., Ltd. LG Electronics Wroclaw Sp. z o.o. o.o. LG Electronics Reynosa, S.A. DE C.V. LG Electronics Thailand Co., Ltd.

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LG Electronics Taiwan Taipei Co.,
Ltd.

LG Electronics Taiwan Taipei
Co., Ltd.

LG Electronics RUS, LLC

LG Electronics Shenyang Inc.
LG Electronics RUS, LLC

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27. Related Parties and Others, Continued

Classification

September 30, 2017

December 31, 2016

LG Electronics Nanjing New Technology co., LTD.	LG Electronics Nanjing New Technology co., LTD.
LG Electronics Mlawa Sp. z o.o.	LG Electronics Mlawa Sp. z o.o.
LG Electronics Mexicali, S.A. DE C.V.	LG Electronics Mexicali, S.A. DE C.V.
LG Electronics India Pvt. Ltd.	LG Electronics India Pvt. Ltd.
LG Electronics do Brasil Ltda.	LG Electronics do Brasil Ltda.
LG Electronics Air-Conditioning (Shandong) Co., Ltd.	LG Electronics Air-Conditioning (Shandong) Co., Ltd.
LG Electronics Almaty Kazakhstan LG Electronics S.A. (Pty) Ltd.	LG Electronics Almaty Kazakhstan LG Electronics S.A. (Pty) Ltd.
LG Electronics Singapore PTE LTD.	LG Electronics Singapore PTE LTD.
LG Electronics Japan, Inc.	LG Electronics Japan, Inc.
LG Electronics U.S.A., Inc.	LG Electronics U.S.A., Inc.
LG Electronics Vietnam Haiphong Co., Ltd.	LG Electronics Vietnam Haiphong Co., Ltd.
LG Electronics Deutschland GmbH	LG Electronics Deutschland GmbH
LG Electronics Egypt S.A.E.	LG Electronics Egypt S.A.E.
LG Electronics Alabama Inc.	LG Electronics Alabama Inc.
LG Electronics (China) Co., Ltd.	
LG Electronics Ticaret A.S.	
PT.LG Electronics Service Indonesia	
LG Electronics Polska SP.ZO.O	
LG Japan Lab. Inc.	

Table of Contents27. Related Parties and Others, Continued

- (b) Significant transactions such as sales of goods and purchases of raw material and outsourcing service and others, which occurred in the normal course of business with related parties for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

For the three-month period ended September 30, 2017

	Purchase and others					
	Purchase of raw material		Acquisition of property, plant and equipment		Outsourcing fees	Other costs
	Sales and others	Dividend income	and others	and equipment		
Associates and their subsidiaries						
INVENIA Co., Ltd.	₩		691	2,188		24
AVATEC Co., Ltd.					24,685	40
Paju Electric Glass Co., Ltd.			94,966			1,025
WooRee E&L Co., Ltd.						22
YAS Co., Ltd.			1,141	20,059		650
	₩		96,798	22,247	24,685	1,761
Entity that has significant influence over the Controlling Company						
LG Electronics Inc.	₩	325,287	12,627	176,092		26,041
Subsidiaries of the entity that has significant influence over the Controlling Company						
LG Electronics India Pvt. Ltd.	₩	25,127				22
LG Electronics Vietnam Haiphong Co., Ltd.		50,073				29

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2017**

		Purchase and others				
		Purchase of raw material		Acquisition of property, plant and equipment		Other costs
	Sales and others	Dividend income	and others	and	Outsourcing fees	Other costs
LG Electronics Nanjing New Technology co., LTD.	₩ 82,025			47		19
LG Electronics RUS, LLC	27,693					279
LG Electronics do Brasil Ltda.	54,085					131
LG Innotek Co., Ltd.	4,406		52,007			470
Qingdao LG Inspur Digital Communication Co., Ltd.	22,170					
Inspur LG Digital Mobile Communications Co., Ltd.	53,016					
LG Electronics Mexicali, S.A. DE C.V.	99,798					106
LG Electronics Mlawa Sp. z o.o.	131,698					358
LG Electronics Taiwan Taipei Co., Ltd.	3,134					75
LG Hitachi Water Solutions Co., Ltd.				78,854		
LG Electronics Reynosa, S.A. DE C.V.	344,094					551
LG Electronics Almaty Kazakhstan	3,363					
HiEntech Co., Ltd.				3,261		7,320
Hientech (Tianjin) Co., Ltd.				4,432		2,276
LG Electronics S.A. (Pty) Ltd.	2,227					4
LG Electronics Air-Conditioning (Shandong) Co., Ltd.			2	24		121
Hi M Solutek			1			413
Others	840			14		1,583
	₩ 903,749		52,010	86,632		13,757
	₩ 1,229,036		161,435	284,971	24,685	41,559

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2017**

	Purchase and others					
	Purchase of raw material		Acquisition of property, plant and equipment		Outsourcing fees	Other costs
	Sales and others	Dividend income	and others	and	and	Other costs
Associates and their subsidiaries						
New Optics Ltd.(*)	₩ 1				4	6
INVENIA Co., Ltd.	10		1,304	49,576		175
AVATEC Co., Ltd.		530			65,899	538
Paju Electric Glass Co., Ltd.		8,109	289,760			3,218
Shinbo Electric Co., Ltd.(*)	15,812					21
Narenanotech Corporation(*)			279	21,727		244
WooRee E&L Co., Ltd.						110
YAS Co., Ltd.			2,871	64,337		2,132
	₩ 15,823	8,639	294,214	135,640	65,903	6,444
Entity that has significant influence over the Controlling Company						
LG Electronics Inc.	₩ 1,179,201		28,583	672,789		86,303
Subsidiaries of the entity that has significant influence over the Controlling Company						
LG Electronics India Pvt. Ltd.	₩ 63,346					75
LG Electronics Vietnam Haiphong Co., Ltd.	149,796			4,799		167
LG Electronics Nanjing New Technology co., LTD.	231,352			89		390

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2017**

	Sales and others	Dividend income	Purchase of raw material and others	Acquisition of property, plant and equipment	Purchase and others Outsourcing fees	Other costs
LG Electronics RUS, LLC	₩ 71,976					730
LG Electronics do Brasil Ltda.	174,348					364
LG Innotek Co., Ltd.	10,919		147,955			4,445
Qingdao LG Inspur Digital Communication Co., Ltd.	56,855					
Inspur LG Digital Mobile Communications Co., Ltd.	175,352					
LG Electronics Mexicali, S.A. DE C.V.	263,418					175
LG Electronics Mlawa Sp. z o.o.	624,133					798
LG Electronics Taiwan Taipei Co., Ltd.	10,187					114
LG Hitachi Water Solutions Co., Ltd.				156,163		1,531
LG Electronics Reynosa, S.A. DE C.V.	938,543					1,391
LG Electronics Almaty Kazakhstan	10,642					12
HiEntech Co., Ltd.				5,061		26,146
Hientech (Tianjin) Co., Ltd.				13,509		12,735
LG Electronics S.A. (Pty) Ltd.	11,760					18
LG Electronics Air-Conditioning (Shandong) Co., Ltd.			254	3,700		1,207
Hi M Solutek			3			1,943
Others	866			14		3,025
	₩ 2,793,493		148,212	183,335		55,266
	₩ 3,988,517	8,639	471,009	991,764	65,903	148,013

(*) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2016**

	Purchase and others				
	Purchase of raw material		acquisition of property, plant and equipment		Outsourcing fees
	Sales and others	Dividend income	and others	and	Other costs
Joint Venture					
Suzhou Raken Technology Co., Ltd.(*1)	₩ 2	1,378			
Associates and their subsidiaries					
New Optics Ltd.	₩ 287		11,441		1,795
New Optics USA, Inc.					7
NEWOPTIX RS. SA DE CV	6				
INVENIA Co., Ltd.			1,011	5,497	316
TLI Inc.			17,358		547
AVACO Co., Ltd.(*2)	423		20	38	6
AVATEC Co., Ltd.					17,187
Paju Electric Glass Co., Ltd.			123,396		1,015
LB Gemini New Growth Fund No. 16					
Shinbo Electric Co., Ltd.	7,181		86,221		792
Narenanotech Corporation			132	2,217	155
ADP System Co., Ltd.				3	
YAS Co., Ltd.			491	43,486	645
WooRee E&L Co., Ltd.					
	₩ 7,897		240,070	51,241	19,781
					3,198

Table of Contents27. Related Parties, Continued*(In millions of won)*

	For the three-month period ended September 30, 2016				
	Purchase of material		Acquisition of property, plant and equipment		Purchase and others
	Sales and others	Dividend and others	and others	and Outsourcing fees	Other costs
Entity that has significant influence over the Controlling Company					
LG Electronics Inc.	₩ 371,184		5,378	182,006	11,791
Subsidiaries of the entity that has significant influence over the Controlling Company					
LG Electronics India Pvt. Ltd.	₩ 23,570				13
LG Electronics Vietnam Haiphong Co., Ltd.	40,332				44
LG Electronics Nanjing New Technology co., LTD.	67,600				380
LG Electronics RUS, LLC	30,986				403
LG Electronics do Brasil Ltda.	35,789				164
LG Innotek Co., Ltd.	3,913		41,905		6,456
Qingdao LG Inspur Digital Communication Co., Ltd.	7,494				
Inspur LG Digital Mobile Communications Co., Ltd.	90,083				
LG Electronics Mexicali, S.A. DE C.V	65,696				45
LG Electronics Mlawa Sp. z o.o.	165,932				172
LG Electronics Taiwan Taipei Co., Ltd.	2,896				14
LG Electronics Wroclaw Sp. Z o.o	17,002				7
LG Hitachi Water Solutions Co., Ltd.	301			66,610	

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2016**

	Purchase and others					
	Purchase of material		Acquisition of property, plant		and Outsourcing	
	Sales and others	Dividend income	and others	and equipment	fees	Other costs
LG Electronics Reynosa, S.A. DE C.V.	₩ 304,238					547
HiEntech Co., Ltd.						6,402
Hientech (Tianjin) Co., LTD						9,756
LG Electronics Air-Conditioning (Shandong) Co., Ltd.		3				
LG Electronics Almaty Kazakhstan	5,124					7
LG Electronics S.A. (Pty) Ltd.	7,372					8
Others						746
	₩ 868,331		41,905	66,610		25,164
	₩ 1,247,414	1,378	287,353	299,857	19,781	40,153

(*1) Represents transactions occurred prior to exchange of equity interests.

(*2) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Purchase and others					
	Purchase of material property, plant and equipment and acquisition of					
	Sales and others	Dividend income	and others	and equipment	Outsourcing fees	Other costs
Joint Venture						
Suzhou Raken Technology Co., Ltd.(*1)	₩ 59,388	31,280				543
Associates and their subsidiaries						
New Optics Ltd.	₩ 287		39,463		5,650	167
New Optics USA, Inc.					509	
NEWOPTIX RS. SA DE CV	17					
INVENIA Co., Ltd.	44		1,317	39,931		965
TLI Inc.		101	51,565			2,138
AVACO Co., Ltd.(*2)		128	703	31,575		1,357
AVATEC Co., Ltd.		265			50,410	948
Paju Electric Glass Co., Ltd.		21,030	345,034			2,466
LB Gemini New Growth Fund No. 16		7,598				
Shinbo Electric Co., Ltd.	33,256		265,089		2,059	166
Narenanotech Corporation	17		369	18,211		692
ADP System Co., Ltd.				17		
YAS Co., Ltd.	44		1,316	68,492		1,184
WooRee E&L Co., Ltd.						32
	₩ 33,665	29,122	704,856	158,226	58,628	10,115

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Purchase and others				
	Purchase of and acquisition of				
	material property, plant				
	Sales	Dividend	and	and	Outsourcing
	and others	income	others	equipment	fees
					Other costs
Entity that has significant influence over the Controlling Company					
LG Electronics Inc.	₩ 1,235,505		15,629	423,975	46,978
Subsidiaries of the entity that has significant influence over the Controlling Company					
LG Electronics India Pvt. Ltd.	₩ 64,132				26
LG Electronics Vietnam Haiphong Co., Ltd.	107,118				77
LG Electronics Nanjing New Technology co., LTD.	158,492				1,450
LG Electronics RUS, LLC	70,930				2,714
LG Electronics do Brasil Ltda.	96,660				3,185
LG Innotek Co., Ltd.	8,484		149,914		22,408
Qingdao LG Inspur Digital Communication Co., Ltd.	39,215				
Inspur LG Digital Mobile Communications Co., Ltd.	302,225				
LG Electronics Mexicali, S.A. DE C.V	160,996				45
LG Electronics Mlawa Sp. z o.o.	381,700				431
LG Electronics Taiwan Taipei Co., Ltd.	7,154				20
LG Electronics Wroclaw Sp. Z o.o	249,846				32
LG Hitachi Water Solutions Co., Ltd.				92,939	3,677

Table of Contents27. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Purchase and others					
	Purchase of material property, plant		and acquisition of		and Outsourcing	
	Sales	Dividend	and	and	fees	Other costs
	and others	income	others	equipment		
LG Electronics Reynosa, S.A. DE C.V.	₩ 776,157					1,295
HiEntech Co., Ltd.						18,954
Hientech (Tianjin) Co., LTD						24,639
LG Electronics Air-Conditioning (Shandong) Co., Ltd.						4,107
LG Electronics Almaty Kazakhstan	11,438					7
LG Electronics S.A. (Pty) Ltd.	15,142					24
Others	2,312					2,408
	₩ 2,452,001		149,914	92,939		85,499
	₩ 3,780,559	60,402	870,399	675,140	58,628	143,135

(*1) Represents transactions occurred prior to exchange of equity interests.

(*2) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents27. Related Parties and Others, Continued

- (c) Trade accounts and notes receivable and payable as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Associates				
New Optics Ltd.(*)	₩	1,000		8,616
INVENIA Co., Ltd.	500	833	6,307	6,515
AVATEC Co., Ltd.			3,704	5,190
Paju Electric Glass Co., Ltd.			66,396	71,685
Shinbo Electric Co., Ltd.(*)		85,011		64,693
Narenanotech Corporation(*)		300		2,826
WooRee E&L Co., Ltd.			13	
YAS Co., Ltd.	500	833	23,344	3,531
	₩ 1,000	87,977	99,764	163,056
Entity that has significant influence over the Controlling Company				
LG Electronics Inc.	₩ 348,782	357,577	173,655	160,309
Subsidiaries of the entity that has significant influence over the Controlling Company				
LG Electronics India Pvt. Ltd.	₩ 15,637	4,651		
LG Electronics Vietnam Haiphong Co., Ltd.	32,799	35,121	484	7
LG Electronics Nanjing New Technology co., LTD.	62,224	51,794	247	78
LG Electronics RUS, LLC	26,635	47,686	45	
LG Electronics do Brasil Ltda.	34,702	14,299	2	27

Table of Contents27. Related Parties and Others, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
LG Innotek Co., Ltd.	₩ 1,456	1,070	52,684	50,919
Qingdao LG Inspur Digital Communication Co., Ltd.	16,083	7,007		
Inspur LG Digital Mobile Communications Co., Ltd.	56,090	72,963		5
LG Electronics Mexicali, S.A. DE C.V.	56,106	11,959	94	13
LG Electronics Mlawa Sp. z o.o.	95,904	222,480	3	27
LG Hitachi Water Solutions Co., Ltd.			96,614	108,119
LG Electronics Reynosa, S.A. DE C.V.	244,804	93,873	264	259
HiEntech Co., Ltd.			4,164	4,080
Hientech (Tianjin) Co., LTD			5,191	3,746
Others	6,650	42,084	3,340	2,962
	₩ 649,090	604,987	163,132	170,242
	₩ 998,872	1,050,541	436,551	493,607

(*) Excluded from related parties due to disposal of equity investments during the nine-month period ended September 30, 2017.

Table of Contents27. Related Parties and Others, Continued

- (d) Details of significant cash transactions such as loans and collection of loans, which occurred in the normal course of business with related parties for the nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

Associates	2017		2016	
	Loans	Collection of loans	Loans	Collection of loans
INVENIA Co., Ltd.	₩	333		
YAS Co., Ltd.		333		
New Optics Ltd.(*)	₩		1,000	
	₩	666	1,000	

- (*) Excluded from related parties due to disposal of equity investments during the nine-month period ended September 30, 2017.

Table of Contents27. Related Parties and Others, Continued

(e) Conglomerate Transactions

Transactions, trade accounts and notes receivable and payable, and others between the Group and certain companies and their subsidiaries, which are included in LG Group, one of conglomerates according to the Monopoly Regulation and Fair Trade Act for the three-month and nine-month periods ended September 30, 2017 and 2016 and as of September 30, 2017 and December 31, 2016 are as follows. These entities are not affiliates according to K-IFRS No. 1024, *Related Party Disclosures*.

(In millions of won)

	For the three-month period ended September 30, 2017		For the nine-month period ended September 30, 2017		September 30, 2017	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG Chem Ltd.	₩ 8,243	240,357	8,243	681,537	6,090	125,775
LG Chem (Nanjing) Information & Electronics Materials Co., Ltd.		103,543		309,011		74,659
LG Chem (China) Investment Co., Ltd.		1,559		4,850		1,236
Serveone Co., Ltd.	97	403,278	346	1,048,259	21,758	430,661
Serveone (Nanjing) Co., Ltd.		32,782		88,602		51,311
Serveone Construction (Nanjing) Co., Ltd.		21,739		61,608		21,135
Serveone Guangzhou Co., Ltd.		26,822		70,957		27,487
Serveone Vietnam Co., Ltd.		9,023		15,098		8,967
Silicon Works Co., Ltd.		163,019		448,486		120,765
LG CNS Co., Ltd.	184	60,885	323	126,323		52,779
LG CNS China Inc.		8,892		19,958		5,561
LG N-Sys Inc.		3,315		10,145		5,553
LG International Corp.	4,637	29,252	13,878	81,044	8,632	24,359

Table of Contents27. Related Parties and Others, Continued*(In millions of won)*

	For the three-month period ended September 30, 2017		For the nine-month period ended September 30, 2017		September 30, 2017	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG International (America) Inc.	₩ 4,839	34,035	17,104	99,733	3,883	13,659
LG International (Japan) Ltd.	22,808	379,659	105,637	969,387	2,344	180,001
LG International (Singapore) Pte. Ltd.	153,564	669	409,688	812	104,827	12
Pantos Logistics Co., Ltd.	10	22,625	34	69,948		15,018
Pantos Logistics (Shenzhen) Co., Ltd.		18,371		91,833		7,058
LG Corp.		15,804		46,762	4,700	7,791
Others	499	26,806	2,356	97,119	5,555	16,006
	₩ 194,881	1,602,435	557,609	4,341,472	157,789	1,189,793

Table of Contents27. Related Parties and Others, Continued*(In millions of won)*

	For the three-month period ended September 30, 2016		For the nine-month period ended September 30, 2016		December 31, 2016	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG Chem Ltd.	₩ 22	207,137	35	717,737	30	106,790
LG Chem (Nanjing) Information & Electronics Materials Co., Ltd.		100,176		276,072		79,117
LG Chem (China) Investment Co., Ltd.						734
Serveone Co., Ltd.	1,607	305,420	1,872	728,320	20,157	398,671
Serveone (Nanjing) Co., Ltd.		25,913		73,023		47,485
Serveone Construction (Nanjing) Co., Ltd.		14,545		38,953		8,951
Serveone Guangzhou Co., Ltd.		24,048		66,885		19,719
Serveone Vietnam Co., Ltd.		3,632		3,725		587
Silicon Works Co., Ltd.		137,143		433,263	13	106,313
LG CNS Co., Ltd.		39,682	417	92,261		89,152
LG CNS China Inc.		8,631		23,872		8,597
LG N-Sys Inc.		1,126		5,489		9,259
LG International Corp.	5,388	13,825	8,262	69,730	16,951	16,930
LG International (America) Inc.	4,608	13,189	17,472	17,435	3,594	20,449
LG International (Japan) Ltd.	38,321	291,968	107,406	551,034	14,603	125,689

Table of Contents27. Related Parties and Others, Continued*(In millions of won)*

	For the three-month period ended September 30, 2016		For the nine-month period ended September 30, 2016		December 31, 2016	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG International (Singapore) Pte. Ltd.	₩ 72,545	472	337,439	1,662	31,071	
Pantos Logistics Co., Ltd.	7	20,638	7	47,615		8,183
Pantos Logistics (Shenzhen) Co., Ltd.		17,324		72,929		8,577
LG Corp.		15,205		41,836	7,937	
Others	4,500	23,371	12,371	72,718	6,558	13,364
	₩ 126,998	1,263,445	485,281	3,334,559	100,914	1,068,567

Table of Contents27. Related Parties and Others, Continued

(f) Key management personnel compensation

Compensation costs of key management for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month		For the nine-month	
	periods ended		periods ended	
	September 30		September 30	
	2017	2016	2017	2016
Short-term benefits	₩ 858	534	2,866	2,066
Expenses related to the defined benefit plan	95	93	392	804
	₩ 953	627	3,258	2,870

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

28. Subsequent Event

The Controlling Company issued the following public debentures on October 27, 2017:

(In millions of won)

Classification	Issue date	Maturity date	Interest rate	Face amount
37-1	October 27, 2017	October 27, 2020	2.564%	₩ 150,000
37-2	October 27, 2017	October 27, 2022	2.911%	50,000
				₩ 200,000

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LG DISPLAY CO., LTD.

Condensed Separate Interim Financial Statements

(Unaudited)

September 30, 2017 and 2016

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

Reviewed Financial Statements

We have reviewed the accompanying condensed separate interim financial statements of LG Display Co., Ltd. (the Company) which comprise the condensed separate interim statement of financial position as of September 30, 2017, the condensed separate interim statements of comprehensive income (loss) for each of the three-month and nine-month periods ended September 30, 2017 and 2016, and statements of changes in equity and cash flows for the nine-month periods ended September 30, 2017 and 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Condensed Separate Interim Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

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

Other Matters

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

We audited the separate statement of financial position as of December 31, 2016, and the related separate statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with Korean Standards on Auditing, and our report thereon, dated February 21, 2017, expressed an unqualified opinion. The accompanying condensed separate statement of financial position of the Company as of December 31, 2016, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

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KPMG Samjong Accounting Corp.

Seoul, Korea

November 10, 2017

This report is effective as of November 10, 2017, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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LG DISPLAY CO., LTD.

Condensed Separate Interim Statements of Financial Position

(Unaudited)

As of September 30, 2017 and December 31, 2016

<i>(In millions of won)</i>	Note	September 30, 2017	December 31, 2016
Assets			
Cash and cash equivalents	4, 24	₩ 542,610	259,467
Deposits in banks	4, 24	1,034,015	1,076,520
Trade accounts and notes receivable, net	5, 14, 24, 26	5,301,536	5,128,925
Other accounts receivable, net	5, 24	96,381	403,744
Other current financial assets	6, 24	15,028	7,696
Inventories	7	1,871,490	1,706,983
Other current assets	5	232,151	129,240
Total current assets		9,093,211	8,712,575
Deposits in banks	4, 24	11	13
Investments	8	2,781,868	2,656,026
Other non-current financial assets	6, 24	46,543	52,649
Property, plant and equipment, net	9	11,136,767	8,757,973
Intangible assets, net	10	697,218	673,966
Deferred tax assets	22	723,784	653,613
Other non-current assets	5	343,161	305,935
Total non-current assets		15,729,352	13,100,175
Total assets		₩ 24,822,563	21,812,750
Liabilities			
Trade accounts and notes payable	24, 26	₩ 2,832,331	2,738,383
Current financial liabilities	11, 24	924,404	667,735
Other accounts payable	24	2,198,870	1,921,141
Accrued expenses		606,801	590,129
Income tax payable		285,930	155,641
Provisions	13	71,896	54,040
Advances received		90,627	18,944
Other current liabilities	13	37,048	30,331
Total current liabilities		7,047,907	6,176,344
Non-current financial liabilities	11, 24	3,107,259	3,185,449
Non-current provisions	13	24,043	8,155
Defined benefit liabilities, net	12	296,368	142,212
Long-term advances received	14	960,361	

Other non-current liabilities	13	65,846	65,143
Total non-current liabilities		4,453,877	3,400,959
Total liabilities		11,501,784	9,577,303
Equity			
Share capital	15	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Retained earnings		9,280,587	8,195,255
Total equity		13,320,779	12,235,447
Total liabilities and equity		₩ 24,822,563	21,812,750

See accompanying notes to the condensed separate interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Separate Interim Statements of Comprehensive Income (Loss)

(Unaudited)

For the three-month and nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won, except earnings per share)</i>	Note	For the three-month period		For the nine-month period	
		ended September 30 2017	ended September 30 2016	ended September 30 2017	ended September 30 2016
Revenue	16, 26	₩ 6,594,290	6,222,819	₩ 19,160,088	17,166,281
Cost of sales	7, 17, 26	(5,725,300)	(5,545,288)	(15,872,104)	(15,768,670)
Gross profit		868,990	677,531	3,287,984	1,397,611
Selling expenses	18	(132,116)	(93,563)	(435,567)	(281,412)
Administrative expenses	18	(118,676)	(104,597)	(351,676)	(321,334)
Research and development expenses		(281,501)	(293,216)	(868,803)	(816,447)
Operating profit (loss)		336,697	186,155	1,631,938	(21,582)
Finance income	21	21,710	90,112	112,861	197,943
Finance costs	21	(21,712)	(46,057)	(83,180)	(108,714)
Other non-operating income	20	115,957	195,130	502,681	691,458
Other non-operating expenses	20	(102,181)	(285,545)	(617,011)	(781,117)
Profit (loss) before income tax		350,471	139,795	1,547,289	(22,012)
Income tax expense	22	69,130	23,295	273,981	54,184
Profit (loss) for the period		281,341	116,500	1,273,308	(76,196)
Other comprehensive loss					
Items that will never be reclassified to profit or loss					
Remeasurements of net defined benefit liabilities	12	(3,639)	(1,033)	(11,963)	(3,817)
Related income tax	12	881	250	2,895	924
		(2,758)	(783)	(9,068)	(2,893)
Items that are or may be reclassified to profit or loss					
Net change in fair value of available-for-sale financial assets	21				(77)
Related income tax	21				19

						(58)
Other comprehensive loss for the period, net of income tax		(2,758)	(783)	(9,068)		(2,951)
Total comprehensive income (loss) for the period		₩ 278,583	115,717	₩ 1,264,240		(79,147)
Earnings (loss) per share (In Won)						
Basic earnings (loss) per share	23	₩ 786	326	₩ 3,559		(213)
Diluted earnings (loss) per share	23	₩ 786	326	₩ 3,559		(213)

See accompanying notes to the condensed separate interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Separate Interim Statements of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Share capital	Share premium	Retained earnings	Reserves	Total equity
Balances at January 1, 2016	₩ 1,789,079	2,251,113	7,289,333	58	11,329,583
Total comprehensive loss for the period					
Loss for the period			(76,196)		(76,196)
Other comprehensive loss					
Net change in fair value of available-for-sale financial assets, net of tax				(58)	(58)
Remeasurements of net defined benefit liabilities, net of tax			(2,893)		(2,893)
Total other comprehensive loss			(2,893)	(58)	(2,951)
Total comprehensive loss for the period	₩		(79,089)	(58)	(79,147)
Transaction with owners, recognized directly in equity					
Dividends to equity holders			(178,908)		(178,908)
Balances at September 30, 2016	₩ 1,789,079	2,251,113	7,031,336		11,071,528
Balances at January 1, 2017	₩ 1,789,079	2,251,113	8,195,255		12,235,447
Total comprehensive income for the period					
Profit for the period			1,273,308		1,273,308
Other comprehensive loss					
Remeasurements of net defined benefit liabilities, net of tax			(9,068)		(9,068)
Total other comprehensive loss			(9,068)		(9,068)
Total comprehensive income for the period	₩		1,264,240		1,264,240
Transaction with owners, recognized directly in equity					
Dividends to equity holders			(178,908)		(178,908)

Balances at September 30, 2017	₩ 1,789,079	2,251,113	9,280,587	13,320,779
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See accompanying notes to the condensed separate interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Separate Interim Statements of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from operating activities:			
Profit (loss) for the period		₩ 1,273,308	(76,196)
Adjustments for:			
Income tax expense	22	273,981	54,184
Depreciation	17	1,259,107	1,470,545
Amortization of intangible assets	17	292,144	244,291
Gain on foreign currency translation		(85,878)	(52,217)
Loss on foreign currency translation		55,743	75,324
Expenses related to defined benefit plans	12	147,640	165,587
Gain on disposal of property, plant and equipment		(50,733)	(39,146)
Loss on disposal of property, plant and equipment		4,628	2,394
Gain on disposal of intangible assets		(308)	(900)
Loss on disposal of intangible assets		9	20
Impairment loss on intangible assets		1,717	125
Finance income		(89,249)	(196,769)
Finance costs		69,281	85,507
Other income		(16,884)	(15,546)
Other expenses		142,764	104,735
		2,003,962	1,898,134
Changes in			
Trade accounts and notes receivable		(89,765)	(173,445)
Other accounts receivable		8,870	2,400
Other current assets		(44,036)	(33,370)
Inventories		(164,507)	(57,751)
Other non-current assets		(103,977)	(68,993)
Trade accounts and notes payable		55,915	(268,163)
Other accounts payable		4,361	(41,517)
Accrued expenses		17,622	(92,516)
Other current liabilities		6,372	(1,459)
Other non-current liabilities		5,113	14,115
Long-term advance received		1,020,470	
Provisions		(107,179)	(77,769)
Defined benefit liabilities, net		(5,447)	(119,789)
		603,812	(918,257)
Cash generated from operating activities		3,881,082	903,681

Income taxes paid	(197,373)	(38,725)
Interests received	18,176	26,047
Interests paid	(68,601)	(73,675)
Net cash provided by operating activities	₩ 3,633,284	817,328

See accompanying notes to the condensed separate interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Separate Interim Statements of Cash Flows, Continued

(Unaudited)

For the nine-month periods ended September 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from investing activities:			
Dividends received		₩ 316,469	514,109
Proceeds from withdrawal of deposits in banks		1,272,002	2,080,602
Increase in deposits in banks		(1,229,495)	(1,722,000)
Acquisition of investments		(177,643)	(147,878)
Proceeds from disposal of investments		6,697	22,286
Acquisition of available-for-sale financial assets		(7)	
Proceeds from disposal of available-for-sale financial assets			419
Acquisition of financial assets at fair value through profit or loss			(1,500)
Acquisition of property, plant and equipment		(3,408,598)	(1,578,478)
Proceeds from disposal of property, plant and equipment		152,123	72,686
Acquisition of intangible assets		(329,051)	(308,664)
Proceeds from disposal of intangible assets		874	1,056
Government grants received		1,505	730
Receipt from (payment for) settlement of derivatives		2,745	(36)
Proceeds from collection of short-term loans		693	4,650
Increase in long-term loans		(300)	(21,030)
Increase in deposits		(1,378)	(180)
Decrease in deposits		1,161	913
Net cash used in investing activities		(3,392,203)	(1,082,315)
Cash flows from financing activities:	25		
Proceeds from short-term borrowings			107,345
Repayments of short-term borrowings		(113,209)	
Proceeds from issuance of debentures		298,780	298,784
Proceeds from long-term debt		400,000	919,505
Repayments of current portion of long-term debt and debentures		(364,601)	(832,939)
Dividends paid		(178,908)	(178,908)
Net cash provided by financing activities		42,062	313,787
Net increase in cash and cash equivalents		283,143	48,800
Cash and cash equivalents at January 1		259,467	108,044
Cash and cash equivalents at September 30		₩ 542,610	156,844

See accompanying notes to the condensed separate interim financial statements.

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1. **Organization and Description of Business**

LG Display Co., Ltd. (the Company) was incorporated in February 1985 and the Company is a public corporation listed in Korea Exchange since 2004. The main business of the Company is to manufacture and sell displays and its related products. As of September 30, 2017, the Company is operating Thin Film Transistor Liquid Crystal Display (TFT-LCD) and Organic Light Emitting Diode (OLED) panel manufacturing plants in Gumi, Paju and China and TFT-LCD and OLED module manufacturing plants in Gumi, Paju, China, Poland and Vietnam. The Company is domiciled in the Republic of Korea with its address at 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, the Republic of Korea. As of September 30, 2017, LG Electronics Inc., a major shareholder of the Company, owns 37.9% (135,625,000 shares) of the Company's common stock.

The Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of September 30, 2017, there are 357,815,700 shares of common stock outstanding. The Company's common stock is also listed on the New York Stock Exchange in the form of American Depositary Shares (ADSs) under the symbol LPL. One ADS represents one-half of one share of common stock. As of September 30, 2017, there are 29,572,308 ADSs outstanding.

2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The condensed separate interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs) No.1034, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the separate financial statements of the Company as of and for the year ended December 31, 2016.

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

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

(b) **Basis of Measurement**

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

derivative instruments, financial assets at fair value through profit or loss and available-for-sale financial assets are measured at fair value, and

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

(c) **Functional and Presentation Currency**

The condensed separate interim financial statements are presented in Korean won, which is the Company's functional currency.

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

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

In preparing these condensed separate interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in its separate financial statements as of and for the year ended December 31, 2016.

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3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Company in the preparation of its condensed separate interim financial statements are the same as those followed by the Company in its preparation of the separate financial statements as of and for the year ended December 31, 2016, except for the application of K-IFRS No. 1034, *Interim Financial Reporting*, and the amended accounting standards explained below:

(a) Changes in Accounting Policies

(i) K-IFRS No. 1007, *Statement of Cash Flows*

The Company has adopted the amendment to K-IFRS No. 1007, *Statement of Cash Flows*, since January 1, 2017. The amendment to K-IFRS No. 1007 is part of the disclosure initiative to improve presentation and disclosure in financial statements and requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes due to cash flows and non-cash changes such as changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates and changes in fair value and other changes. The Company has applied the amendment and disclosed changes in liabilities arose from financing activities including both changes due to cash flows and non-cash changes in note 25.

(ii) K-IFRS No. 1012, *Income Taxes*

The Company has adopted the amendment to K-IFRS No. 1012, *Income Taxes*, since January 1, 2017. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendment provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. There is no impact of applying this amendment on the condensed separate interim financial statements.

Table of Contents**3. Summary of Significant Accounting Policies, Continued****(b) New and Amended Standards and Interpretations Not Yet Adopted**

A number of new standards and interpretations are effective for annual periods beginning after January 1, 2017 and earlier application is permitted; however, the Company has not early adopted the following new standards and interpretations in preparing these condensed separate interim financial statements.

(i) K-IFRS No. 1109, *Financial Instruments*

The Company plans to adopt K-IFRS No. 1109, *Financial Instruments*, in its separate financial statements for annual periods beginning on January 1, 2018, assessing the financial impact of the adoption of K-IFRS No. 1109 and disclose the results in its separate financial statements for the year ending December 31, 2017. As of September 30, 2017, other than the potential impacts described in the separate financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(ii) K-IFRS No. 1115, *Revenue from Contracts with Customers*

The Company plans to adopt K-IFRS No. 1115, *Revenue from Contracts with Customers*, in its separate financial statements for annual periods beginning on January 1, 2018, assessing the financial impact of the adoption of K-IFRS No. 1115 and disclose the results in its separate financial statements for the year ending December 31, 2017. As of September 30, 2017, other than the potential impacts described in the separate financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(iii) K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*

According to the new interpretation, K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. K-IFRS No. 2122 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact on its condensed separate interim financial statements resulting from the application of new interpretation.

Table of Contents**4. Cash and Cash Equivalents and Deposits in Banks**

Cash and cash equivalents and deposits in banks as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Current assets		
Cash and cash equivalents		
Demand deposits	₩ 542,610	259,467
Deposits in banks		
Time deposits	₩ 961,629	1,004,134
Restricted cash (*)	72,386	72,386
	₩ 1,034,015	1,076,520
Non-current assets		
Deposits in banks		
Restricted cash (*)	₩ 11	13
	₩ 1,576,636	1,336,000

(*) Restricted cash includes mutual growth fund to aid LG Group's second and third-tier suppliers, pledge to enforce investment plans according to the receipt of subsidies from Gumi city and Gyeongsangbuk-do and others.

5. Receivables and Other Assets

(a) Trade accounts and notes receivable as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Trade, net	₩ 487,554	275,413
Due from related parties	4,813,982	4,853,512
	₩ 5,301,536	5,128,925

(b) Other accounts receivable as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
--	--------------------	-------------------

Current assets			
Non-trade receivable, net	₩	88,261	395,534
Accrued income		8,120	8,210
	₩	96,381	403,744

Due from related parties included in other accounts receivable, as of September 30, 2017 and December 31, 2016 are ₩30,042 million and ₩308,756 million, respectively.

Table of Contents5. Receivables and Other Assets, Continued

- (c) The aging of trade accounts and note receivable, other accounts receivable and long-term non-trade receivable as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017					
	Book value			Impairment loss		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 5,301,381	88,017	8,738	(937)	(272)	
Past due 1-15 days	922	8,281		(5)	(4)	
Past due 16-30 days	115					
Past due 31-60 days	19	56			(1)	
Past due more than 60 days	41	702			(398)	
	₩ 5,302,478	97,056	8,738	(942)	(675)	

(In millions of won)

	December 31, 2016					
	Book value			Impairment loss		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 5,128,853	400,829	2,354	(520)	(380)	(23)
Past due 1-15 days	113	2,281			(20)	
Past due 16-30 days	394	309				
Past due 31-60 days	63	639			(6)	
Past due more than 60 days	22	490			(398)	
	₩ 5,129,445	404,548	2,354	(520)	(804)	(23)

Table of Contents**5. Receivables and Other Assets, Continued**

The movement in the allowance for impairment in respect of trade accounts and notes receivable, other accounts receivable and long-term non-trade receivable for the nine-month period ended September 30, 2017 and the year ended December 31, 2016 are as follows:

<i>(In millions of won)</i>	2017			2016		
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Balance at the beginning of the period	₩ 520	804	23	600	406	52
(Reversal of) bad debt expense	422	(129)	(23)	(80)	398	(29)
Balance at the reporting date	₩ 942	675		520	804	23

Table of Contents5. Receivables and Other Assets, Continue

(d) Other assets as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Current assets		
Advance payments	₩ 3,078	7,240
Prepaid expenses	150,753	65,842
Value added tax refundable	67,920	56,158
Emission rights	10,400	
	₩ 232,151	129,240
Non-current assets		
Long-term prepaid expenses	₩ 343,161	304,935
Long-term advanced payment		1,000
	₩ 343,161	305,935

Table of Contents6. Other Financial Assets

(a) Other financial assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current assets		
Available-for-sale financial assets	₩ 6	
Short-term loans	15,022	7,696
	₩ 15,028	7,696
Non-current assets		
Financial asset at fair value through profit or loss	₩ 1,382	1,382
Available-for-sale financial assets	4,412	5,708
Deposits	13,639	13,422
Long-term loans	17,930	29,562
Long-term non-trade receivable	8,738	2,331
Derivatives(*)	442	244
	₩ 46,543	52,649

Other financial assets of related parties as of September 30, 2017 and December 31, 2016 are ₩1,000 million and ₩3,488 million, respectively.

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

(b) Available-for-sale financial assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current assets		
Debt securities		
Government bonds	₩ 6	
Non-current assets		
Debt securities		
Government bonds	₩ 156	154
Equity securities		
Intellectual Discovery, Ltd.	₩ 729	729
Kyulux, Inc.	1,968	3,266
Henghao Technology Co., Ltd.	1,559	1,559
	₩ 4,256	5,554

₩ 4,418 5,708

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Table of Contents7. Inventories

Inventories as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Finished goods	₩ 531,703	527,658
Work-in-process	722,155	633,422
Raw materials	391,814	312,013
Supplies	225,818	233,890
	₩ 1,871,490	1,706,983

For the nine-month periods ended September 30, 2017 and 2016, the amount of inventories recognized as cost of sales, inventory write-downs and reversal and usage of inventory write-downs included in cost of sales are as follows:

<i>(In millions of won)</i>	2017	2016
Inventories recognized as cost of sales	₩ 15,872,104	15,768,670
Including: inventory write-downs	225,390	312,229
Including: reversal and usage of inventory write-downs	(185,454)	(342,623)

Table of Contents8. Investments

(a) Investments in subsidiaries consist of the following:

(In millions of won)

Overseas Subsidiaries	Location	Business	September 30, 2017		December 31, 2016	
			Percentage of ownership	Book value	Percentage of ownership	Book Value
LG Display America, Inc.	San Jose, U.S.A.	Sell Display products	100%	₩ 36,815	100%	₩ 36,815
LG Display Germany GmbH	Eschborn, Germany	Sell Display products	100%	19,373	100%	19,373
LG Display Japan Co., Ltd.	Tokyo, Japan	Sell Display products	100%	15,686	100%	15,686
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	Sell Display products	100%	35,230	100%	35,230
LG Display Nanjing Co., Ltd.	Nanjing, China	Manufacture Display products	100%	593,726	100%	593,726
LG Display Shanghai Co., Ltd.	Shanghai, China	Sell Display products	100%	9,093	100%	9,093
LG Display Poland Sp. z o.o.	Wroclaw, Poland	Manufacture Display products	100%	194,992	100%	194,992
LG Display Guangzhou Co., Ltd.	Guangzhou, China	Manufacture Display products	100%	293,557	100%	293,557
LG Display Shenzhen Co., Ltd.	Shenzhen, China	Sell Display products	100%	3,467	100%	3,467
LG Display Singapore Pte. Ltd.	Singapore	Sell Display products	100%	1,250	100%	1,250
L&T Display Technology (Fujian) Limited	Fujian, China	Manufacture and sell LCD module and LCD monitor sets	51%	10,123	51%	10,123
LG Display Yantai Co., Ltd.	Yantai, China	Manufacture Display products	100%	169,195	100%	169,195
Nanumnuri Co., Ltd.	Gumi, South Korea	Janitorial services	100%	800	100%	800
LG Display (China) Co., Ltd.	Guangzhou, China	Manufacture and Sell Display products	51%	723,086	51%	723,086
			100%	9,489	100%	9,489

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Unified Innovative Technology, LLC	Wilmington, U.S.A.	Manage intellectual property				
LG Display		Sell Display				
Guangzhou Trading Co., Ltd.	Guangzhou, China	products	100%	218	100%	218
Global OLED Technology LLC	Herndon, U.S.A	Manage OLED intellectual property	100%	164,322	100%	164,322
LG Display Vietnam Haiphong Co., Ltd.	Haiphong, Vietnam	Manufacture Display Products	100%	117,378	100%	117,378
Suzhou Lehui Display Co., Ltd.	Suzhou, China	Manufacture and sell LCD module and LCD monitor sets	100%	121,640	100%	121,640
Money Market Trust(*)	Seoul, South Korea	Money market trust	100%	157,335		
				₩ 2,676,775	₩ 2,519,440	

(*) For the nine-month period ended September 30, 2017, the Company acquired ₩157.335 million of Money Market Trust.

Table of Contents**8. Investments, Continued.**

For the nine-month period ended September 30, 2017, the aggregate amount of received dividends from subsidiaries are ₩10,079 million.

(b) Investments in associates consist of the following:

(In millions of won)

Associates	Location	Business	September 30,		December 31, 2016	
			Percentage of ownership	Book Value	Percentage of ownership	Book Value
Paju Electric Glass Co., Ltd.	Paju, South Korea	Manufacture electric glass for FPDs	40%	₩ 45,089	40%	₩ 45,089
New Optics Ltd. (*1)	Yangju, South Korea	Manufacture back light parts for TFT-LCDs			46%	14,221
INVENIA Co., Ltd.	Seongnam, South Korea	Develop and manufacture the equipment for FPDs	13%	6,330	13%	6,330
WooRee E&L Co., Ltd.	Ansan, South Korea	Manufacture LED back light unit packages	14%	10,268	14%	10,268
LB Gemini New Growth Fund No.16 (*2)	Seoul, South Korea	Invest in small and middle sized companies and benefit from M&A opportunities	31%	434	31%	2,510
Can Yang Investments Limited (*3)	Hong Kong	Develop, manufacture and sell LED parts	9%	2,064	9%	7,568
YAS Co., Ltd.	Paju, South Korea	Develop and manufacture deposition equipment for OLEDs	15%	10,000	18%	10,000
Narenanotech Corporation (*1)	Yongin, South Korea	Manufacture and sell FPD manufacturing			23%	30,000

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- (*1) For the nine-month period ended September 30, 2017, the Company disposed of the entire investments in New Optics Ltd. and Narenanotech Corporation.
- (*2) The Company is a member of a limited partnership in the LB Gemini New Growth Fund No.16 (the Fund). For the nine-month period ended September 30, 2017, the Company received ₩2,076 million from the Fund as capital distribution and there were no changes in the Company s ownership percentage in the Fund. On the other hand, a resolution to dissolve the fund was approved at the general meeting and the fund is in process of liquidation as of September 30, 2017. Accordingly, there were no additional investments for the nine-month period ended September 30, 2017.
- (*3) The Company recognized an impairment loss of ₩5,504 million as finance cost for the difference between the carrying amount and the recoverable amount of investments in Can Yang Investments Limited.

8. Investments, Continued.

- (*4) In September 2017, the Company invested ₩20,308 million and acquired 88,584 shares of preferred stock with voting rights in CYNORA GmbH. As of September 30, 2017, the Company s ownership percentage in CYNORA GmbH is 14% and the Company has the right to appoint a director to the board of directors of the investee. For the nine-month period ended September 30, 2017, the aggregate amount of received dividends from associates are ₩8,639 million.

9. Property, Plant and Equipment

For the nine-month periods ended September 30, 2017 and 2016, the Company purchased property, plant and equipment of ₩3,709,525 million and ₩2,108,549 million, respectively. The capitalized borrowing costs and the annualized capitalization rate were ₩28,463 million and 1.87%, and ₩8,025 million and 2.17% for the nine-month periods ended September 30, 2017 and 2016, respectively. Also, for the nine-month periods ended September 30, 2017 and 2016, the Company disposed of property, plant and equipment with carrying amounts of ₩67,940 million and ₩18,930 million, respectively, and recognized ₩50,733 million and ₩4,628 million, respectively, as gain and loss on disposal of property, plant and equipment for the nine-month period ended September 30, 2017 (gain and loss for the nine-month period ended September 30, 2016: ₩39,146 million and ₩2,394 million, respectively).

10. Intangible Assets

The Company capitalizes expenditures related to development activities, such as expenditures incurred on designing, manufacturing and testing of products after those related activities meet the capitalization criteria of development costs including technical feasibility, future economic benefits and others. The balances of capitalized development costs as of September 30, 2017 and December 31, 2016, are ₩288,642 million and ₩256,340 million, respectively.

Table of Contents11. Financial Liabilities

(a) Financial liabilities as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Current		
Short-term borrowings	₩	113,209
Current portion of long-term debt	924,404	554,526
	₩ 924,404	667,735
Non-current		
Won denominated borrowings	₩ 1,221,421	821,922
Foreign currency denominated borrowings	464,413	851,993
Bonds	1,421,346	1,511,062
Derivatives(*)	79	472
	₩ 3,107,259	3,185,449

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

(b) Short-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won and USD)</i>	Annual interest rate as of September 30, 2017 (%)	September 30, 2017	December 31, 2016
Lender			
Standard Chartered Bank Korea Limited		₩	113,209
Foreign currency equivalent			USD 94

(c) Won denominated long-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	Annual interest rate as of	September 30, 2017	December 31, 2016
Lender			

September 30, 2017 (%)				
	3-year Korean Treasury			
Woori Bank	Bond rate-1.25, 2.75	₩	2,092	2,991
Shinhan Bank	CD rate (91days) + 0.30		200,000	200,000
Korea Development Bank and others	CD rate (91days) + 0.64~0.74 2.28~2.58		1,020,000	620,000
Less current portion of long-term borrowings			(671)	(1,069)
		₩	1,221,421	821,922

Table of Contents11. Financial Liabilities, Continued

- (d) Foreign currency denominated long-term borrowings as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won and USD)

Lender	Annual interest rate		September 30, 2017	December 31, 2016
	as of September 30, 2017 (%)			
The Export-Import Bank of Korea and Others	3ML+0.55~1.04		₩ 808,423	1,027,225
Standard Chartered Bank Korea Limited				8,469
Foreign currency equivalent			USD 705	USD 857
Less current portion of long-term borrowings			(344,010)	(183,701)
			₩ 464,413	851,993

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

- (e) Details of bonds issued and outstanding as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	Maturity	Annual interest rate		September 30, 2017	December 31, 2016
		as of September 30, 2017 (%)			
Won denominated bonds(*)					
Publicly issued bonds	October 2017 ~June 2022	1.73~3.73		₩ 2,005,000	1,885,000
Less discount on bonds				(3,931)	(4,182)
Less current portion				(579,723)	(369,756)
				₩ 1,421,346	1,511,062

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

Table of Contents**12. Employee Benefits**

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

(a) Net defined benefit liabilities recognized as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Present value of partially funded defined benefit obligations	₩ 1,521,615	1,400,621
Fair value of plan assets	(1,225,247)	(1,258,409)
	₩ 296,368	142,212

(b) Expenses recognized in profit or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Current service cost	₩ 48,615	52,626	145,846	157,878
Net interest cost	598	2,569	1,794	7,709
	₩ 49,213	55,195	147,640	165,587

(c) Plan assets as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Guaranteed deposits in banks	₩ 1,225,247	1,258,409

As of September 30, 2017, the Company maintains the plan assets primarily with Mirae Asset Daewoo Co., Ltd., Shinhan Bank and others.

(d) Remeasurements of the net defined benefit liabilities included in other comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Remeasurements of net defined benefit liabilities	₩ (3,639)	(1,033)	(11,963)	(3,817)
Tax effect	881	250	2,895	924
Remeasurements of net defined benefit liabilities, net of income tax	₩ (2,758)	(783)	(9,068)	(2,893)

Table of Contents13. Provisions and Other Liabilities

(a) Changes in provisions for the period ended September 30, 2017 are as follows:

(In millions of won)

	Warranties (*)	Others	Total
Balance at January 1, 2017	₩ 60,530	1,665	62,195
Additions	140,923	877	141,800
Usage	(108,056)		(108,056)
Balance at September 30, 2017	₩ 93,397	2,542	95,939
Current	₩ 69,354	2,542	71,896
Non-current	₩ 24,043		24,043

(*) The provision for warranties covers defective products and is normally applicable for 18 months from the date of purchase. The warranty liability is calculated by using historical and anticipated rates of warranty claims, and costs per claim to satisfy the Company's warranty obligation.

(b) Other liabilities as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Current liabilities		
Withholdings	₩ 33,336	24,840
Unearned revenues	3,712	5,491
	₩ 37,048	30,331
Non-current liabilities		
Long-term accrued expenses	₩ 65,846	61,615
Long-term other accounts payable		3,528
	₩ 65,846	65,143

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14. Contingencies and Commitments

(a) Legal Proceedings

Delaware Display Group LLC and Innovative Display Technologies LLC (DDG and IDT)

In December 2013, Delaware Display Group LLC and Innovative Display Technologies LLC filed a patent infringement case (First Case) against the Company and LG Display America, Inc. in the United States District Court for the District of Delaware and DDG and IDT filed a new patent infringement case against the Company and LG Display America, Inc. over the three patents that were dismissed without prejudice from the First Case in December 2015. Additionally, in August 2016, Innovative Display Technologies LLC filed a new patent infringement case against the Company and LG Display America, Inc. in the United States District Court for the Eastern District of Texas with respect to two new patents. In March 2017, the parties reached settlements in principle through mediation. In April 2017, the parties filed a stipulation of dismissal and amicably settled all claims asserted in the above-mentioned patent litigations.

Surpass Tech Innovation LLC

In March 2014, Surpass Tech Innovation LLC filed a complaint in the United States District Court for the District of Delaware against the Company and LG Display America, Inc. for alleged patent infringement. In April 2017, the case was terminated pursuant to a stipulation of dismissal filed by Surpass Tech Innovation LLC.

Others

The Company is defending against various claims in addition to pending proceedings described above. The Company does not have a present obligation for these matters and has not recognized any provision at September 30, 2017.

Table of Contents**14. Contingencies and Commitments, Continued****(b) Commitments****Factoring and securitization of accounts receivable**

The Company has agreements with Korea Development Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD 1,793 million (~~₩2,056,584~~ million) in connection with the Company's export sales transactions with its subsidiaries. As of September 30, 2017, no short-term borrowings were outstanding in connection with these agreements. In connection with all of the contracts in this paragraph, the Company has sold its accounts receivable with recourse.

The Company has a credit facility agreement with Shinhan Bank and several other banks pursuant to which the Company could sell its accounts receivables up to an aggregate of ~~₩365,208~~ million in connection with its domestic and export sales transactions and, as of September 30, 2017, no accounts and notes receivable sold to Shinhan Bank were outstanding in connection with the agreement. In connection with the contract above, the Company has sold its accounts receivable without recourse.

Letters of credit

As of September 30, 2017, the Company has agreements in relation to the opening of letters of credit up to USD 30 million (~~₩34,401~~ million) with KEB Hana Bank, USD 80 million (~~₩91,736~~ million) with Bank of China and USD 50 million (~~₩57,335~~ million) with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Company provides a payment guarantee in connection with the term loan credit facilities of LG Display Vietnam Haiphong, Co., Ltd. amounting to USD 390 million (~~₩447,213~~ million) for principals.

In addition, the Company obtained payment guarantees amounting to USD 900 million (~~₩1,032,030~~ million) from KEB Hana Bank and others for advance received related to the long-term supply agreements and USD 8.5 million (~~₩9,747~~ million) from Shinhan bank for value added tax payments in Poland.

License agreements

As of September 30, 2017, in relation to its LCD business, the Company has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.

Long-term supply agreement

As of September 30, 2017, in connection with long-term supply agreements with customers, the Company USD 900 million (~~₩1,032,030~~ million) in long-term advance. The advance received will be offset against outstanding accounts receivable balances after a given period of time, as well as those arising from the supply of products thereafter. The Company received payment guarantees amounting to USD 900 million (~~₩1,032,030~~ million) from KEB Hana Bank and other various banks relating to advance received.

Table of Contents**15. Share capital**

The Company is authorized to issue 500,000,000 shares of capital stock (par value ₩5,000), and as of September 30, 2017 and December 31, 2016, the number of issued common shares is 357,815,700. There have been no changes in the capital stock from January 1, 2016 to September 30, 2017.

16. Revenue

Details of revenue for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
	Sales of goods	₩ 6,582,101	6,212,820	19,117,997
Royalties	4,504	1,588	13,360	7,589
Others	7,685	8,411	28,731	26,025
	₩ 6,594,290	6,222,819	19,160,088	17,166,281

17. The Nature of Expenses and Others

The classification of expenses by nature for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
	Changes in inventories	₩ (184,627)	(9,897)	(164,506)
Purchases of raw materials, merchandise and others	2,849,969	2,729,678	7,553,067	7,616,029
Depreciation and amortization	539,468	485,256	1,551,251	1,714,836
Outsourcing fees	1,483,811	1,381,308	4,049,078	3,627,887
Labor costs	647,908	633,961	1,914,120	1,910,812
Supplies and others	272,180	208,374	727,126	614,500
Utility	195,947	187,425	530,283	536,397
Fees and commissions	117,812	117,425	348,267	348,372
Shipping costs	33,221	28,709	89,463	88,953
Advertising	51,201	16,652	140,655	44,466
Warranty expenses	27,749	26,734	140,923	80,226
Travel	21,061	15,400	57,900	47,056
Taxes and dues	11,164	11,590	34,795	36,017

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Others	196,156	228,646	576,883	625,831
	₩ 6,263,020	6,061,261	17,549,305	17,233,631

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

Table of Contents**18. Selling and Administrative Expenses**

Details of selling and administrative expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Salaries	₩ 53,152	48,923	159,191	143,298
Expenses related to defined benefit plans	6,480	7,178	19,592	21,615
Other employee benefits	12,523	10,574	38,084	34,813
Shipping costs	26,005	22,572	70,504	70,987
Fees and commissions	25,513	26,187	79,860	84,128
Depreciation	22,169	19,529	66,782	63,510
Taxes and dues	481	872	1,485	2,369
Advertising	51,201	16,652	140,655	44,466
Warranty expenses	27,749	26,734	140,923	80,226
Rent	2,484	2,486	7,491	7,432
Insurance	1,710	1,824	4,924	4,424
Travel	5,031	3,521	14,764	11,716
Training	4,450	2,874	11,808	10,564
Others	11,844	8,234	31,180	23,198
	₩ 250,792	198,160	787,243	602,746

19. Personnel Expenses

Details of personnel expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Salaries and wages	₩ 553,390	526,595	1,638,911	1,573,533
Other employee benefits	76,451	73,958	224,611	229,039
Contributions to National Pension plan	18,573	18,013	54,325	51,694
Expenses related to defined benefit plan	49,213	55,195	147,640	165,587
	₩ 697,627	673,761	2,065,487	2,019,853

Table of Contents20. Other Non-operating Income and Other Non-operating Expenses

- (a) Details of other non-operating income for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Rental income	₩ 867	748	2,631	2,604
Foreign currency gain	108,750	168,902	443,399	630,262
Reversal of allowance for doubtful accounts for other receivables	215		379	
Gain on disposal of property, plant and equipment	4,916	9,955	50,733	39,146
Gain on disposal of intangible assets			308	900
Commission earned	394	303	689	938
Others	815	15,222	4,542	17,608
	₩ 115,957	195,130	502,681	691,458

- (b) Details of other non-operating expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Foreign currency loss	₩ 96,754	260,948	595,856	735,349
Other bad debt expenses	1,576		1,826	345
Loss on disposal of property, plant and equipment	1,420	184	4,628	2,394
Loss on disposal of intangible assets	9		9	20
Impairment loss on intangible assets	40	40	1,717	125
Donations	2,267	12,503	12,610	17,234
Expenses related to legal proceedings or claims and others	115	11,870	365	25,650
	₩ 102,181	285,545	617,011	781,117

Table of Contents21. Finance Income and Finance Costs

- (a) Finance income and costs recognized in profit and loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Finance income				
Interest income	₩ 8,031	5,850	19,061	21,618
Dividend income	10,079	1,379	18,718	78,521
Foreign currency gain	3,263	70,097	67,181	82,326
Gain on disposal of investments		11,515	4,203	11,667
Gain on transaction of derivatives		1,271	3,106	3,811
Gain on valuation of derivatives	337		592	
	₩ 21,710	90,112	112,861	197,943
Finance costs				
Interest expense	₩ 11,349	21,520	39,716	67,397
Foreign currency loss	9,678	9,510	12,453	22,280
Loss on disposal of investments			22,401	
Loss on impairment of investments			5,504	1,632
Loss on sale of trade accounts and notes receivable	21		46	3
Loss on impairment of available-for-sale financial assets			1,298	
Loss on transaction of derivatives	150	1,382	361	3,762
Loss on valuation of derivatives		13,338		12,715
Other	514	307	1,401	925
	₩ 21,712	46,057	83,180	108,714

- (b) Finance income and costs recognized in other comprehensive income or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Net change in fair value of available-for-sale financial assets	₩			(77)
Tax effect				19

Finance income (costs) recognized in other comprehensive income or loss after tax	₩	(58)
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Table of Contents22. Income Taxes

- (a) Details of income tax expense for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Current tax expense	₩ 111,480	1,287	341,257	11,949
Deferred tax expense (benefit)	(42,350)	22,008	(67,276)	42,235
Income tax expense	₩ 69,130	23,295	273,981	54,184

- (b) Deferred Tax Assets and Liabilities

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

Deferred tax assets and liabilities as of September 30, 2017 and December 31, 2016 are attributable to the following:

(In millions of won)

	Assets		Liabilities		Total	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Other accounts receivable, net	₩		(1,400)	(1,190)	(1,400)	(1,190)
Inventories, net	41,821	32,150			41,821	32,150
Defined benefit liabilities, net	49,719	10,817			49,719	10,817
Accrued expenses	123,466	119,952			123,466	119,952
Property, plant and equipment	185,587	177,833			185,587	177,833
Intangible assets	1,061	744			1,061	744
Provisions	23,217	15,051			23,217	15,051
Gain or loss on foreign currency translation, net	11	11			11	11
Others	14,632	10,845			14,632	10,845
Tax credit carryforwards	285,670	287,400			285,670	287,400
Deferred tax assets (liabilities)	₩ 725,184	654,803	(1,400)	(1,190)	723,784	653,613

Statutory tax rate applicable to the Company is 24.2% for the nine-month period ended September 30, 2017.

Meanwhile, effective tax rate for the nine-month period ended September 30, 2017 decreased primarily due to change of the probability of utilizing deferred tax assets including tax credit carryforwards.

Table of Contents23. Earnings (Loss) Per Share

- (a) Basic earnings (loss) per share for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In won and number of shares)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Profit (loss) for the period	₩ 281,340,302,457	116,500,254,294	1,273,307,737,914	(76,195,507,978)
Weighted-average number of common stocks outstanding	357,815,700	357,815,700	357,815,700	357,815,700
Earnings (loss) per share	₩ 786	326	3,559	(213)

For the three-month and nine-month periods ended September 30, 2017 and 2016, there were no events or transactions that resulted in changes in the number of common stocks used for calculating earnings (loss) per share.

- (b) Diluted earnings (loss) per share for the nine-month periods ended September 30, 2017 and 2016 are not calculated since there was no potential common stock.

24. Financial Risk Management

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

- (a) Market risk

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

- (i) Currency risk

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

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

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

Table of Contents24. Financial Risk Management, Continued

i) Exposure to currency risk

The Company's exposure to foreign currency risk based on notional amounts as of September 30, 2017 and December 31, 2016 is as follows:

(In millions)

	September 30, 2017				
	USD	JPY	CNY	PLN	EUR
Cash and cash equivalents	117	223		2	
Trade accounts and notes receivable	4,313	1,113			
Non-trade receivable	15	1,488	57		6
Trade accounts and notes payable	(1,485)	(13,558)			
Other accounts payable	(92)	(9,908)	(244)	(9)	(1)
Debt		(705)			
Net exposure	2,163	(20,642)	(187)	(7)	5

(In millions)

	December 31, 2016				
	USD	JPY	CNY	PLN	EUR
Cash and cash equivalents	20	268		2	
Trade accounts and notes receivable	3,929	1,315			
Non-trade receivable	90	4,222	1,312		3
Long-term non-trade receivable	2				
Other assets denominated in foreign currencies		51			
Trade accounts and notes payable	(1,442)	(14,940)			
Other accounts payable	(120)	(7,161)	(1)	(12)	(1)
Debt		(951)			
Net exposure	1,528	(16,245)	1,311	(10)	2

Table of Contents24. Financial Risk Management, Continued

Average exchange rates applied for the nine-month periods ended September 30, 2017 and 2016 and the exchange rates at September 30, 2017 and December 31, 2016 are as follows:

<i>(In won)</i>	Average rate		Reporting date spot rate	
	2017	2016	September 30, 2017	December 31, 2016
USD	₩ 1,138.67	1,161.32	₩ 1,146.70	1,208.50
JPY	10.18	10.70	10.20	10.37
CNY	167.49	176.22	172.35	173.26
PLN	297.15	297.66	312.96	287.62
EUR	1,267.31	1,296.67	1,350.87	1,267.60

ii) Sensitivity analysis

A weaker won, as indicated below, against the following currencies which comprise the Company's assets or liabilities denominated in foreign currency as of September 30, 2017 and December 31, 2016, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considers to be reasonably possible as of the end of reporting period. The analysis assumes that all other variables, in particular interest rates, would remain constant. The changes in equity and profit or loss would have been as follows:

<i>(In millions of won)</i>	September 30, 2017		December 31, 2016	
	Equity	Profit or loss	Equity	Profit or loss
USD (5 percent weakening)	₩ 94,004	94,004	69,986	69,986
JPY (5 percent weakening)	(7,983)	(7,983)	(6,383)	(6,383)
CNY (5 percent weakening)	(1,221)	(1,221)	8,609	8,609
PLN (5 percent weakening)	(83)	(83)	(109)	(109)
EUR (5 percent weakening)	256	256	96	96

A stronger won against the above currencies as of September 30, 2017 and December 31, 2016 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Table of Contents24. Financial Risk Management, Continued

(ii) Interest rate risk

Interest rate risk arises principally from the Company's debentures and borrowings. The Company establishes and applies its policy to reduce uncertainty arising from fluctuations in the interest rate and to minimize finance cost and manages interest rate risk by monitoring of trends of fluctuations in interest rate and establishing plan for countermeasures.

i) Profile

The interest rate profile of the Company's interest-bearing financial instruments as of September 30, 2017 and December 31, 2016 is as follows:

<i>(In millions of won)</i>	September 30, 2017	December 31, 2016
Fixed rate instruments		
Financial assets	₩ 1,576,787	1,336,141
Financial liabilities	(2,723,141)	(2,203,378)
	₩ (1,146,354)	(867,237)
Variable rate instruments		
Financial liabilities	₩ (1,308,443)	(1,649,334)

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

As of September 30, 2017 and December 31, 2016, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each 12-month period following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

<i>(In millions of won)</i>	Equity		Profit or loss	
	1%p increase	1%p decrease	1%p increase	1%p decrease
September 30, 2017				
Variable rate instruments(*)	₩ (7,265)	7,265	(7,265)	7,265
December 31, 2016				
Variable rate instruments(*)	₩ (9,849)	9,849	(9,849)	9,849

(*) Financial instruments subject to interest rate swap not qualified for hedging are excluded.

Table of Contents24. Financial Risk Management, Continued

(b) Credit risk

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

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

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

The Company does not establish allowances for receivables under insurance or receivables from customers with a high credit rating. For the rest of the receivables, the Company establishes an allowance for impairment of trade and other receivables that have been individually or collectively evaluated for impairment and estimated on the basis of historical loss experience for assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Cash and cash equivalents	₩ 542,610	259,467
Deposits in banks	1,034,026	1,076,533
Trade accounts and notes receivable, net	5,301,536	5,128,925
Non-trade receivable, net	88,261	395,534
Accrued income	8,120	8,210
Available-for-sale financial assets	162	154
Financial assets at fair value through profit or loss	1,382	1,382
Deposits	13,639	13,422
Short-term loans	15,022	7,696
Long-term loans	17,930	29,562
Long-term non-trade receivable	8,738	2,331
Derivatives	442	244
	₩ 7,031,868	6,923,460

In addition to the financial assets above, as of September 30, 2017, the Company provides payment guarantees of ₩447,213 million, for its subsidiaries.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the sales and investing activities. Trade accounts and notes receivables are insured in order to manage credit risk and uninsured trade accounts and notes receivables are managed in accordance with the Company's management policy.

Table of Contents24. Financial Risk Management, Continued

(c) Liquidity risk

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

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

The following are the contractual maturities of financial liabilities, including estimated interest payments, as of September 30, 2017.

(In millions of won)

	Carrying amount	Total	Contractual cash flows				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Unsecured bank loans	₩ 2,030,515	2,117,879	22,292	366,290	1,064,405	626,666	38,226
Unsecured bond issues	2,001,069	2,107,701	393,385	228,231	404,470	1,081,615	
Trade accounts and notes payable	2,832,331	2,832,331	2,832,331				
Other accounts payable	2,198,870	2,198,870	2,197,428	1,442			
Payment guarantee(*)		484,220	4,908	4,935	44,804	383,367	46,206
Derivative financial liabilities							
	79	78	166	(88)			
	₩ 9,062,864	9,741,079	5,450,510	600,810	1,513,679	2,091,648	84,432

(*) Contractual cash flows of payment guarantee is identical to timing of principal payment. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Table of Contents24. Financial Risk Management, Continued(d) Capital management

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

(In millions of won)

	September 30, 2017	December 31, 2016
Total liabilities	₩ 11,501,784	9,577,303
Total equity	13,320,779	12,235,447
Cash and deposits in banks (*1)	1,576,625	1,335,987
Borrowings (including bonds)	4,031,584	3,852,712
Total liabilities to equity ratio	86%	78%
Net borrowings to equity ratio (*2)	18%	21%

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

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

(e) Determination of fair value(i) Measurement of fair value

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

i) Current Assets and Liabilities

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

ii) Trade Receivables and Other Receivables

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

iii) Investments in Equity and Debt Securities

The fair value of marketable available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of non-marketable securities is determined using valuation methods.

iv) Non-derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, except for the liabilities at FVTPL, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Table of Contents24. Financial Risk Management, Continued(ii) Fair values versus carrying amounts

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

(In millions of won)

	September 30, 2017		December 31, 2016	
	Carrying amounts	Fair values	Carrying amounts	Fair values
Assets carried at fair value				
Available-for-sale financial assets	₩ 162	162	154	154
Financial assets at fair value through profit or loss	1,382	1,382	1,382	1,382
Derivatives	442	442	244	244
Assets carried at amortized cost				
Cash and cash equivalents	₩ 542,610	(*)	259,467	(*)
Deposits in banks	1,034,026	(*)	1,076,533	(*)
Trade accounts and notes receivable	5,301,536	(*)	5,128,925	(*)
Non-trade receivable	88,261	(*)	395,534	(*)
Accrued income	8,120	(*)	8,210	(*)
Deposits	13,639	(*)	13,422	(*)
Short-term loans	15,022	(*)	7,696	(*)
Long-term loans	17,930	(*)	29,562	(*)
Long-term non-trade receivable	8,738	(*)	2,331	(*)
Liabilities carried at fair value				
Derivatives	₩ 79	79	472	472
Liabilities carried at amortized cost				
Unsecured bank loans	₩ 2,030,515	2,037,092	1,971,894	1,975,284
Unsecured bond issues	2,001,069	2,014,187	1,880,818	1,903,863
Trade accounts and notes payable	2,832,331	(*)	2,738,383	(*)
Other accounts payable	2,198,870	2,199,219	1,921,141	1,921,562
Long-term other accounts payable			3,528	3,891

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

The basis for determining fair values above by the Company is consistent with those disclosed in the financial statements as of and for the year ended December 31, 2016.

Table of Contents24. Financial Risk Management, Continued

(iii) Financial Instruments measured at cost

Available-for-sale financial assets measured at cost as of September 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	September 30, 2017	December 31, 2016
Intellectual Discovery Co., Ltd.	₩ 729	729
Kyulux Inc.	1,968	3,266
Henghao Technology Co., Ltd.	1,559	1,559
	₩ 4,256	5,554

Available-for-sale-financial assets consist of investments in equity securities and the fair value of some investments in equity securities are measured at cost because the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed since there is not a quoted price in an active market for an identical instrument.

(iv) Fair values of financial assets and liabilities

i) Fair value hierarchy

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

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

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

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

Table of Contents24. Financial Risk Management, Continued

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	Level 1	Level 2	Level 3	Total
September 30, 2017				
Assets				
Available-for-sale financial assets	₩ 162			162
Financial assets at fair value through profit or loss			1,382	1,382
Derivatives			442	442
Liabilities				
Derivatives			79	79

<i>(In millions of won)</i>	Level 1	Level 2	Level 3	Total
December 31, 2016				
Assets				
Available-for-sale financial assets	₩ 154			154
Financial assets at fair value through profit or loss			1,382	1,382
Derivatives			244	244
Liabilities				
Derivatives			472	472

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

Fair value hierarchy classifications, valuation technique and inputs for fair value measurements of the financial instruments not measured at fair value but for which the fair value is disclosed as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	September 30, 2017			Valuation	Input
Classification	Level 1	Level 2	Level 3	technique	
Liabilities					
Unsecured bank loans				Discounted cash flow	Discount rate
	₩		2,037,092		
Unsecured bond issues				Discounted cash flow	Discount rate
			2,014,187		
Other accounts payable				Discounted cash flow	Discount rate
			2,199,219		

Table of Contents24. Financial Risk Management, Continued*(In millions of won)*

Classification	December 31, 2016			Valuation technique	Input
	Level 1	Level 2	Level 3		
Liabilities					
Unsecured bank loans	₩		1,975,284	Discounted cash flow	Discount rate
Unsecured bond issues			1,903,863	Discounted cash flow	Discount rate
Other accounts payable			1,921,562	Discounted cash flow	Discount rate
Long-term other accounts payable			3,891	Discounted cash flow	Discount rate

iv) The interest rates applied for determination of the above fair value as of September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017	December 31, 2016
Debentures, loans and others	1.27~2.73%	1.48~2.68%

Table of Contents25. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities for the period ended September 30, 2017 are as follows:

(In millions of won)

	January 1, 2017	Cash flows from financing activities	Reclassification	Non-cash transactions Gain or loss on foreign currency translation	Effective interest adjustment	September 30, 2017
Short-term borrowings	₩ 113,209	(113,209)				
Current portion of long-term debt	554,526	(364,601)	752,560	(18,540)	459	924,404
Long-term borrowings	1,673,915	400,000	(363,052)	(25,029)		1,685,834
Bonds	1,511,062	298,780	(389,508)		1,012	1,421,346
	₩ 3,852,712	220,970		(43,569)	1,471	4,031,584

Table of Contents26. Related Parties and Others

(a) Related parties

Related parties as of September 30, 2017 are as follows:

Classification	Description
Subsidiaries(*)	LG Display America, Inc. and others
Associates(*)	Paju Electric Glass Co., Ltd. and others
Subsidiaries of Associates	AVATEC Electronics Yantai Co., Ltd. and others
Entity that has significant influence over the Company	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Company	Subsidiaries of LG Electronics Inc.

(*) Details of subsidiaries and associates are described in note 8.

Related parties that have transactions such as sales or balance of trade accounts and notes receivable and payable with the Company excluding subsidiaries and associates as of September 30, 2017 and December 31, 2016 are as follows:

Classification	September 30, 2017	December 31, 2016
Subsidiaries of associates		New Optics USA, Inc. NEWOPTIX RS. SA DE CV
Entity that has significant influence over the Company	LG Electronics Inc.	LG Electronics Inc.
	Hiplaza Co., Ltd.	Hiplaza Co., Ltd.
Subsidiaries of the entity that has significant influence over the Company	Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd.	Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd.
	LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek Inspur LG Digital Mobile Communications Co., Ltd. Qingdao LG Inspur Digital	LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek Inspur LG Digital Mobile Communications Co., Ltd. Qingdao LG Inspur Digital
	Communication Co., Ltd. LG Electronics Mlawa Sp. z o.o.	Communication Co., Ltd. LG Electronics Mlawa Sp. z o.o.
	LG Electronics Vietnam Haiphong Co., Ltd.	LG Electronics U.S.A., Inc. LG Electronics Vietnam Haiphong Co., Ltd.
	LG Electronics RUS, LLC	LG Electronics Thailand Co., Ltd. LG Electronics RUS, LLC

LG Electronics Nanjing New
Technology co., LTD.
LG Electronics India Pvt. Ltd.
LG Electronics do Brasil Ltda.

LG Electronics Nanjing New
Technology co., LTD.
LG Electronics India Pvt. Ltd.
LG Electronics do Brasil Ltda.

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26. Related Parties and Others, Continued

(a) Related parties, Continued

Classification

	September 30, 2017	December 31, 2016
	LG Electronics Alabama Inc.	
	LG Electronics Singapore PTE LTD.	LG Electronics Singapore PTE LTD.
	LG Electronics Japan, Inc.	LG Electronics Japan, Inc.
	P.T. LG Electronics Indonesia	P.T. LG Electronics Indonesia
	LG Electronics Almaty Kazakhstan	LG Electronics Almaty Kazakhstan
	LG Electronics S.A. (Pty) Ltd.	LG Electronics S.A. (Pty) Ltd.
	LG Electronics Mexicali S.A.DE C.V.	LG Electronics Mexicali S.A.DE C.V.
	LG Electronics Reynosa S.A. DE C.V.	LG Electronics Reynosa S.A. DE C.V.
	LG Electronics Taiwan Taipei Co., Ltd.	LG Electronics Taiwan Taipei Co., Ltd.
		LG Electronics Shenyang Inc.
	LG Electronics Egypt S.A.E	LG Electronics Egypt S.A.E
		LG Electronics Wroclaw Sp. Z o.o
	PT.LG Electronics Service Indonesia	
	LG Electronics Ticaret A.S.	
	LG Japan Lab. Inc.	

Table of Contents26. Related Parties and Others, Continued

- (b) Significant transactions such as sales of goods and purchases of raw material and outsourcing service and others, which occurred in the normal course of business with related parties for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

*(In millions of won)***For the three-month period ended September 30, 2017**

	Purchase and others					
	Purchase of materials		acquisition of property, plant and equipment		Outsourcing fees	
	Sales and others	Dividend income	and others	and equipment	fees	Other costs
Subsidiaries						
LG Display America, Inc.	₩ 3,019,271					8
LG Display Japan Co., Ltd.	726,449					10
LG Display Germany GmbH	426,024					423
LG Display Taiwan Co., Ltd.	322,899					334
LG Display Nanjing Co., Ltd.	4,454				136,328	
LG Display Shanghai Co., Ltd.	311,912					58
LG Display Poland Sp. z o.o.	70				8,636	
LG Display Guangzhou Co., Ltd.	3,057		2,105		507,848	2,644
LG Display Shenzhen Co., Ltd.	402,008					4
LG Display Yantai Co., Ltd.	9,967		4,041	373	663,341	3,566
LG Display (China) Co., Ltd.	26	9,575	509,452			
LG Display Singapore Pte. Ltd.	235,069					2
L&T Display Technology (Fujian) Limited	135,927					3
Nanumnuri Co., Ltd.	24					4,324
Global OLED Technology LLC						1,526
LG Display Guangzhou Trading Co., Ltd.	180,841					
LG Display Vietnam Haiphong Co., Ltd.	971				39,731	
Suzhou Lehui Display Co., Ltd.	60,627					
	₩ 5,839,596	9,575	515,598	373	1,355,884	12,902

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2017**

	Purchase and others				
	Purchase of raw material		Acquisition of property, plant and equipment	Outsourcing fees	Other costs
	Sales and others	Dividend income	and others		
Associates and their subsidiaries					
WooRee E&L Co., Ltd.	₩				22
INVENIA Co., Ltd.			691	1,872	23
AVATEC Co., Ltd.				24,685	40
Paju Electric Glass Co., Ltd.			94,966		1,025
YAS Co., Ltd.			1,142	20,059	650
	₩		96,799	21,931	1,760
Entity that has significant influence over the Company					
LG Electronics Inc.	₩ 320,503		11,738	159,052	26,836
Subsidiaries of the entity that has significant influence over the Company					
LG Electronics India Pvt. Ltd.	₩ 25,127				22
LG Electronics Vietnam Haiphong Co., Ltd.	50,073				43
LG Electronics Reynosa S.A. DE C.V.	11,204				551
LG Electronics Almaty Kazakhstan	3,363				
LG Electronics S.A. (Pty) Ltd.	2,227				4
LG Electronics Mexicali S.A.DE C.V.	7,916				106
LG Electronics RUS, LLC	448				279

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2017**

	Purchase and others					
	Purchase of raw		material		Acquisition of	
	Sales	Dividend	and	property, plant	Outsourcing	Other costs
	and others	income	others	and equipment	fees	
LG Innotek Co., Ltd.	₩ 4,406		48,422			627
LG Hitachi Water Solutions Co., Ltd.				78,853		
Inspur LG Digital Mobile Communications Co., Ltd.	20,539					
Qingdao LG Inspur Digital Communication Co., Ltd.	22,167					
Hi Entech Co., Ltd.						6,650
Others	1,403					2,454
	₩ 148,873		48,422	78,853		10,736
	₩ 6,308,972	9,575	672,557	260,209	1,380,569	52,234

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2017**

	Purchase and others					
	Purchase of raw		material Acquisition of		Outsourcing	Other costs
	Sales	Dividend	and	property, plan	fees	
	and others	income	others	and equipment		
Subsidiaries						
LG Display America, Inc.	₩ 8,056,946					15
LG Display Japan Co., Ltd.	2,002,614					50
LG Display Germany GmbH	1,351,506					6,736
LG Display Taiwan Co., Ltd.	1,179,015					784
LG Display Nanjing Co., Ltd.	15,376				385,181	
LG Display Shanghai Co., Ltd.	999,447					216
LG Display Poland Sp. z o.o.	1,893				26,022	33
LG Display Guangzhou Co., Ltd.	27,808		5,829		1,666,594	7,732
LG Display Shenzhen Co., Ltd.	1,274,715					5
LG Display Yantai Co., Ltd.	27,030		13,322	373	1,584,782	17,228
LG Display (China) Co., Ltd.	12,053	9,575	1,134,134			
LG Display Singapore Pte. Ltd.	777,716					648
L&T Display Technology (Fujian) Limited	370,995		15			768
Nanumnuri Co., Ltd.	72					13,226
Global OLED Technology LLC						4,503
LG Display Guangzhou Trading Co., Ltd.	513,040					180
LG Display Vietnam Haiphong Co., Ltd.	3,289				39,731	
Suzhou Lehui Display Co., Ltd.	170,909					
	₩ 16,784,424	9,575	1,153,300	373	3,702,310	52,124

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2017**

	Purchase and others					
	Sales and others	Dividend income	Purchase of raw material and others	Acquisition of property, plant and equipment	Outsourcing fees	Other costs
Associates and their subsidiaries						
New Optics Ltd.(*)	₩ 1				4	6
WooRee E&L Co., Ltd.						110
INVENIA Co., Ltd.	10		1,304	20,778		171
AVATEC Co., Ltd.		530			65,899	538
Paju Electric Glass Co., Ltd.		8,109	289,760			3,218
Narenanotech Corporation(*)			279	12,251		177
YAS Co., Ltd.			2,871	64,337		2,132
	₩ 11	8,639	294,214	97,366	65,903	6,352
Entity that has significant influence over the Company						
LG Electronics Inc.	₩ 1,168,067		27,694	528,088		85,688
Subsidiaries of the entity that has significant influence over the Company						
LG Electronics India Pvt. Ltd.	₩ 63,346					75
LG Electronics Vietnam Haiphong Co., Ltd.	149,796					167
LG Electronics Reynosa S.A. DE C.V.	53,202					1,391
LG Electronics Almaty Kazakhstan	10,642					12
LG Electronics S.A. (Pty) Ltd.	11,760					18
LG Electronics Mexicali S.A.DE C.V.	25,843					175
LG Electronics RUS, LLC	3,477					730

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2017**

	Purchase and others					
			Purchase of raw			
	Sales	Dividend	material	Acquisition of	Outsourcing	Other costs
	and others	income	and	property, plant	fees	
			others	and equipment		
LG Innotek Co., Ltd.	₩ 10,919		136,493			4,445
LG Hitachi Water Solutions Co., Ltd.				151,845		
Inspur LG Digital Mobile Communications Co., Ltd.	88,504					
Qingdao LG Inspur Digital Communication Co., Ltd.	56,423					
Hi Entech Co., Ltd.						20,030
Others	2,608		3			5,682
	₩ 476,520		136,496	151,845		32,725
	₩ 18,429,022	18,214	1,611,704	777,672	3,768,213	176,889

(*) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2016**

	Purchase and others				
	Purchase of raw material		Acquisition of property, plant and equipment		Outsourcing fees
	Sales and others	Dividend income	and others	and equipment	Other costs
Subsidiaries					
LG Display America, Inc.	₩ 2,733,748				5
LG Display Japan Co., Ltd.	504,459				13
LG Display Germany GmbH	503,720				1,729
LG Display Taiwan Co., Ltd.	190,740				329
LG Display Nanjing Co., Ltd.	7,129		1	103,057	
LG Display Shanghai Co., Ltd.	406,483				57
LG Display Poland Sp. z o.o.	90			9,830	
LG Display Guangzhou Co., Ltd.	9,183		2,387	530,543	3,693
LG Display Shenzhen Co., Ltd.	434,998				12
LG Display Yantai Co., Ltd.	5,651		6,767	623,962	16,493
LG Display (China) Co., Ltd.	379		219,058		
LG Display Singapore Pte. Ltd.	250,970				3
L&T Display Technology (Fujian) Limited	106,886		1		252
Nanumnuri Co., Ltd.	13				2,304
Global OLED Technology LLC					1,436
LG Display Guangzhou Trading Co., Ltd.	105,700				
Suzhou Lehui Display Co., Ltd.	50,094				
	₩ 5,310,243		228,213	1	1,267,392
					26,326

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the three-month period ended September 30, 2016**

	Purchase and others					
	Purchase of raw		Acquisition of		Outsourcing	
	Sales	Dividend	and	property, plant	fees	Other costs
	and others	income	others	and equipment		
Joint Venture						
Suzhou Raken Technology Co., Ltd. (*1)	₩	2	1,379			
Associates and their subsidiaries						
New Optics Ltd.	₩	287		11,441		1,795
New Optics USA, Inc.					7	
NEWOPTIX RS. SA DE CV		6				
WooRee E&L Co., Ltd.						
INVENIA Co., Ltd.				1,011	5,785	
TLI Inc.				17,358		
AVACO Co., Ltd. (*2)				20	206	
AVATEC Co., Ltd.						17,187
Paju Electric Glass Co., Ltd.				123,396		
LB Gemini New Growth Fund No.16						
Narenanotech Corporation				132	2,422	
ADP System Co., Ltd.					3	
YAS Co., Ltd.				491	43,486	
	₩	293		153,849	51,902	18,989
Entity that has significant influence over the Company						
LG Electronics Inc.	₩	364,593		5,378	183,744	11,682

Table of Contents26. Related Parties and Others, Continued*(In millions of won)*

For the three-month period ended September 30, 2016

	Purchase and others					
	Purchase of raw material and others			Acquisition of property, plant and equipment	Outsourcing fees	Other costs
	Sales and others	Dividend income				
Subsidiaries of the entity that has significant influence over the Company						
LG Electronics India Pvt. Ltd.	₩ 23,570					13
LG Electronics Vietnam Haiphong Co., Ltd.	40,332					18
LG Electronics Reynosa S.A. DE C.V.	17,050					550
LG Electronics do Brasil Ltda.	1,393					83
LG Electronics Kazakhstan	5,124					7
LG Electronics S.A. (Pty) Ltd.	7,372					8
LG Electronics Mexicali S.A.DE C.V.	3,376					45
LG Electronics RUS, LLC	1,921					384
LG Innotek Co., Ltd.	3,913		41,906			3,977
LG Hitachi Water Solutions Co., Ltd.				66,610		
Inspur LG Digital Mobile Communication Co., Ltd.	62,714					
Qingdao LG Inspur Digital Communication Co., Ltd.	4,410					
HiEntech Co., Ltd.						6,402
Others				1	1	941
	₩ 171,175		41,906	66,611	1	12,428
	₩ 5,846,306	1,379	429,346	302,258	1,286,382	53,254

(*1) Represents transactions occurred prior to exchange of the entire investments.

(*2) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Sales and others	Dividend income	Purchase of raw material and others	Acquisition of property, plan and equipment	Outsourcing fees	Other costs
Subsidiaries						
LG Display America, Inc.	₩ 7,206,056					175
LG Display Japan Co., Ltd.	1,323,283					32
LG Display Germany GmbH	1,291,192					3,621
LG Display Taiwan Co., Ltd.	904,128					861
LG Display Nanjing Co., Ltd.	33,224			68	330,359	1
LG Display Shanghai Co., Ltd.	1,072,678					132
LG Display Poland Sp. z o.o.	287				34,641	26
LG Display Guangzhou Co., Ltd.	28,433		5,662		1,400,825	8,681
LG Display Shenzhen Co., Ltd.	1,345,053					17
LG Display Yantai Co., Ltd.	19,729		21,859		1,477,995	29,293
LG Display (China) Co., Ltd.	1,335	18,119	507,104			
LG Display Singapore Pte. Ltd.	693,122					5
L&T Display Technology (Fujian) Limited	354,125		10			600
Nanumnuri Co., Ltd.	39					7,390
Global OLED Technology LLC						4,521
LG Display Guangzhou Trading Co., Ltd.	237,402					
Suzhou Lehui Display Co., Ltd.	50,094					
	₩ 14,560,180	18,119	534,635	68	3,243,820	55,355

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Purchase and others					
	Purchase of raw		material Acquisition of		Outsourcing	Other costs
	Sales	Dividend	and	property, plant	fees	
	and others	income	others	and equipment		
Joint Venture						
Suzhou Raken Technology Co., Ltd.(*1)	₩ 59,388	31,280				543
Associates and their subsidiaries						
New Optics Ltd.	₩ 287		39,463		5,650	167
New Optics USA, Inc.					509	
NEWOPTIX RS S.A DE C.V.	17					
WOOREE E&L Co., Ltd.						32
INVENIA Co., Ltd.	44		1,317	16,194		192
TLI Inc.		101	51,565			2,138
AVACO Co., Ltd.(*2)		128	703	4,964		849
AVATEC CO., LTD.		265			50,410	948
Paju Electric Glass Co., Ltd.		21,030	345,034			2,466
LB Gemini New Growth Fund No.16		7,598				
Narenanotech Corporation	17		369	9,558		330
ADP System Co., Ltd.				17		
YAS Co., Ltd.	44		1,315	68,492		1,184
	₩ 409	29,122	439,766	99,225	56,569	8,306
Entity that has significant influence over the Company						
LG Electronics Inc.	₩ 1,221,450		15,629	332,823		46,116

Table of Contents26. Related Parties and Others, Continued*(In millions of won)***For the nine-month period ended September 30, 2016**

	Purchase and others					
	Purchase of raw			Acquisition of		Other
	Sales	Dividend	material	property, plant	Outsourcing	costs
	and others	income	and	and equipment	fees	
			others			
Subsidiaries of the entity that has significant influence over the Company						
LG Electronics India Pvt. Ltd.	₩ 64,132					26
LG Electronics Vietnam Haiphong Co., Ltd.	107,118					51
LG Electronics Reynosa S.A. DE C.V.	36,307					1,042
LG Electronics do Brasil Ltda.	5,373					159
LG Electronics Kazakhstan	11,438					7
LG Electronics S.A. (Pty) Ltd.	15,142					24
LG Electronics Mexicali S.A.DE C.V.	9,499					45
LG Electronics RUS, LLC	4,011					798
LG Innotek Co., Ltd.	8,484		149,914			8,535
LG-Hitachi Water Solutions Co., Ltd.				92,939		
Inspur LG Digital Mobile Communication Co., Ltd.	202,894					
Qingdao LG Inspur Digital Communication Co., Ltd.	32,093					
HiEntech Co., Ltd.						18,954
Others	3		1	1	1	3,198
	₩ 496,494		149,915	92,940	1	32,839
	₩ 16,337,921	78,521	1,139,945	525,056	3,300,390	143,159

(*1) Represents transactions occurred prior to exchange of the entire investments.

(*2) Represents transactions occurred prior to disposal of the entire investments.

Table of Contents26. Related Parties and Others, Continued

- (c) Trade accounts and notes receivable and payable as of September 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Subsidiaries				
LG Display America, Inc.	₩ 2,247,592	1,931,420	8	
LG Display Japan Co., Ltd.	404,244	254,322	8	
LG Display Germany GmbH	391,731	606,323	52	477
LG Display Taiwan Co., Ltd.	394,743	589,400	37	
LG Display Nanjing Co., Ltd.	2,433	19,610	86,843	40,201
LG Display Shanghai Co., Ltd.	225,956	317,386	52	3
LG Display Poland Sp. z o.o.	46	1,775	5,828	6,972
LG Display Guangzhou Co., Ltd.	461	141,946	257,337	259,962
LG Display Guangzhou Trading Co., Ltd.	168,827	110,817		
LG Display Shenzhen Co., Ltd.	171,133	244,500		6
LG Display Yantai Co., Ltd.	632	68,405	178,863	455,597
LG Display (China) Co., Ltd	11,614	2,793	343,026	51,389
LG Display Singapore Pte. Ltd.	236,557	286,265	1	1
L&T Display Technology (Fujian) Limited	93,932	83,074	226,490	211,092
Nanumnuri Co., Ltd.			63	1,538
LG Display Vietnam Haiphong Co., Ltd.	3,120		41,620	
Suzhou Lehui Display Co., Ltd.	38,577	31,445	36,364	37,593
	₩ 4,391,598	4,689,481	1,176,592	1,064,831

Table of Contents26. Related Parties and Others, Continued

<i>(In millions of won)</i>	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Associates and their subsidiaries				
New Optics Ltd.(*)	₩	1,000		8,616
INVENIA Co., Ltd.	500	833	3,392	6,436
WooRee E&L Co., Ltd.			13	
AVATEC Co., Ltd.			3,704	5,190
Paju Electric Glass Co., Ltd.			66,396	71,685
Narenanotech Corporation(*)		300		2,812
YAS Co., Ltd.	500	833	23,344	3,531
	₩ 1,000	2,966	96,849	98,270
Entity that has significant influence over the Company				
LG Electronics Inc.	₩ 347,673	355,826	146,490	153,195

Table of Contents26. Related Parties and Others, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Subsidiaries of the entity that has significant influence over the Company				
LG Innotek Co., Ltd.	₩ 1,456	1,070	48,255	47,286
LG Hitachi Water Solutions Co., Ltd.			95,499	100,193
Hi Entech Co., Ltd.			4,164	4,080
Inspur LG Digital Mobile Communications Co., Ltd.	20,722	46,091		5
LG Electronics Reynosa S.A. DE C.V.	9,199	10,292	264	259
LG Electronics India Pvt. Ltd.	15,637	4,651		
LG Electronics Vietnam Haiphong Co., Ltd.	32,799	35,121		
LG Electronics S.A. (Pty) Ltd.	2,847	5,941	2	3
Qingdao LG Inspur Digital Communication Co., Ltd.	16,083	5,016		
Others	6,010	9,301	1,498	1,744
	₩ 104,753	117,483	149,682	153,570
	₩ 4,845,024	5,165,756	1,569,613	1,469,866

(*) Excluded from related parties due to disposal of equity investments during the nine-month period ended September 30, 2017.

Table of Contents26. Related Parties and Others, Continued

- (d) Details of significant cash transactions such as loans and collection of loans, which occurred in the normal course of business with related parties for the nine-month periods ended September 30, 2017 and 2016 are as follows:

(In millions of won)

Associates	2017		2016	
	Loans	Collection of loans	Loans	Collection of loans
INVENIA Co., Ltd.	₩	333		
YAS Co., Ltd.		333		
New Optics Ltd.(*)			1,000	
	₩	666	1,000	

- (*) Excluded from related parties due to disposal of equity investments during the nine-month period ended September 30, 2017.

Table of Contents26. Related Parties and Others, Continued

(e) Conglomerate Transactions

Transactions, trade accounts and notes receivable and payable, and others between the Company and certain companies and their subsidiaries, which are included in LG Group, one of conglomerates according to the Monopoly Regulation and Fair Trade Act for the three-month and nine-month periods ended September 30, 2017 and 2016 and as of September 30, 2017 and December 31, 2016 are as follows. These entities are not affiliates according to K-IFRS No. 1024, *Related Party Disclosures*.

(In millions of won)	For the three-month period ended September 30, 2017		For the nine-month period ended September 30, 2017		September 30, 2017	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG Chem Ltd.	₩ 8,243	230,324	8,243	642,523	6,090	117,875
Serveone Co., Ltd.	97	361,140	346	945,770	21,758	399,624
Serveone (Nanjing) Co., Ltd.		2,336		9,663		2,354
Silicon Works Co., Ltd.		163,019		448,486		120,765
LG CNS Co., Ltd.	184	60,860	323	122,085		52,525
LG CNS China Inc.		48		201		
BizTech Partners Co., Ltd.		418		1,246		
LG N-Sys Inc.		3,299		10,112		5,536
LG Hausys, Ltd.	419	3	1,255	47		3
LG International Corp.	4,637	2,478	13,878	7,524	8,632	1,638
LG International (America) Inc.	4,839	34,068	17,104	99,733	3,876	13,627
LG International (Japan) Ltd.		275,282		765,537	126	130,279
LG International (Singapore) Pte. Ltd.	153,564	669	409,688	812	104,827	12
LG International (Deutschland) GmbH		401		20,774		2,464
Pantos Logistics Co., Ltd.	10	22,625	34	69,948		15,018
Pantos Logistics (Shanghai) Co., Ltd.		4,515		12,656		1,529

Table of Contents26. Related Parties and Others, Continued

<i>(In millions of won)</i>	For the three-month period ended September 30, 2017		For the nine-month period ended September 30, 2017		September 30, 2017	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
Pantos Logistics Poland	₩	233		651		95
Pantos Logistics (China) Co., Ltd.		131		250		131
Hi Logistics China Co., Ltd.		316		1,001		112
LG Management Development Institute		3,237		7,607	3,480	893
GIIR America, Inc.				1,527		
GIIR UK Limited		594		2,950		
GIIR Germany GmbH		1,187		2,972		1,239
HS Ad Inc.		2,261		3,973		1,503
LG Corp.		15,804		46,762	4,700	7,791
Lusem Co., Ltd.	2	10	10	641	1	
LG Uplus Corp	54	136	152	453		
Others		237	23	562		251
	₩ 172,049	1,185,631	451,056	3,226,466	153,490	875,264

Table of Contents26. Related Parties and Others, Continued

<i>(In millions of won)</i>	For the three-month period ended September 30, 2016		For the nine-month period ended September 30, 2016		December 31, 2016	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
LG Chem Ltd.	₩ 21	198,110	34	690,052	30	98,185
Serveone Co., Ltd.	230	286,511	495	704,483	19,626	377,967
Serveone (Nanjing) Co., Ltd.		3,288		10,967		3,183
Silicon Works Co., Ltd.		137,143		433,263	13	106,313
LG CNS Co., Ltd.		39,692	417	90,323		87,574
LG CNS China Inc.		329		855		72
LG N-Sys Inc.		1,126		5,489		9,259
LG Hausys, Ltd.	419	5	1,279	623		
LG International Corp.	5,388	2,339	8,262	7,432	16,951	1,114
LG International (America) Inc.	4,608	13,189	17,472	17,435	3,587	20,449
LG International (Japan) Ltd.	648	198,922	648	386,872	3,054	121,790
LG International (Singapore) Pte. Ltd.	72,545	472	337,439	1,662	31,071	
LG International (Deutschland) GmbH		1,788		2,683		4,935
Pantos Logistics Co., Ltd.	7	20,638	7	47,615		8,183
Pantos Logistics (Shanghai) Co., Ltd.		3,807		11,719		1,819
Pantos Logistics Poland		319		529		110
Pantos Logistics (China) Co., Ltd.		149		149		4
LG Management Development Institute		2,963		7,394	3,480	376

Table of Contents26. Related Parties and Others, Continued

<i>(In millions of won)</i>	For the three-month period ended September 30, 2016		For the nine-month period ended September 30, 2016		December 31, 2016	
	Sales and others	Purchase and others	Sales and others	Purchase and others	Trade accounts and notes receivable and others	Trade accounts and notes payable and others
HS Ad Inc.	₩	693		1,861		1,465
LG Corp.		15,205		41,836	7,937	
Lusem Co., Ltd.	3	449	11	1,759	1	309
LG Uplus Corp		77	77	290		22
Others	8	2,368	43	17,739	2	364
	₩ 83,877	929,582	366,184	2,483,030	85,752	843,493

Table of Contents26. Related Parties and Others, Continued

(f) Key management personnel compensation

Compensation costs of key management for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

<i>(In millions of won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Short-term benefits	₩ 858	534	2,866	2,066
Expenses related to the defined benefit plan	95	93	392	804
	₩ 953	627	3,258	2,870

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

27. Subsequent Event

The Company issued the following public debentures on October 27, 2017:

<i>(In millions of won)</i>				
Classification	Issue date	Maturity date	Interest rate	Face amount
37-1	October 27, 2017	October 27, 2020	2.564%	₩ 150,000
37-2	October 27, 2017	October 27, 2022	2.911%	50,000
				₩ 200,000

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SIGNATURES

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

LG Display Co., Ltd.

(Registrant)

Date: November 14, 2017

By: /s/ Heeyeon Kim
(Signature)

Name: Heeyeon Kim

Title: Head of IR / Vice President

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