

Form

Unknown document format

in the board of directors of each investee and, accordingly, the investment in these investees have been accounted for using the equity method. As of December 31, 2009, the fair values of TLI Inc. and AVACO Co., Ltd., listed in KOSDAQ, are (Won)14,900 and (Won)7,170 per share, respectively.

- (*5) In July 2009, the Company entered into a stock purchase agreement with LG Electronics Inc. and LG Electronics (China) Co., Ltd. for the acquisition of the shares of LG Electronics (Nanjing) Plasma Co., Ltd. in order to expand cell back-end process to module production. In accordance with the agreement, the Company acquired whole shares of LG Electronics (Nanjing) Plasma Co., Ltd. at (Won)3,503 million in December 2009.

- (*6) The Company entered into a joint venture agreement with other LG affiliates, accordingly, Global OLED Technology LLC was set up with the purpose of managing and utilizing OLED patents purchased from Eastman Kodak Company. The Company acquired 49% equity interest in the joint venture and the Company's investment in this equity investee is (Won)72,250 million.

- (*7) In December 2009, the Company joined the LB Gemini New Growth Fund No.16 as a member in a limited partnership with a view to searching for direct investment targets and gaining benefit from indirect investment. The Company invested (Won)1,800 million as a part of the agreed total investment amount up to (Won)30,000 million and acquired 30.6% equity interest in the fund.

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

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

(In millions of Won)

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

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

(In millions of Won)

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

Edgar Filing: - Form

(Won) (80,441)

(10,880)

110

(91,211)

25

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

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

(In millions of Won)

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

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

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

(In millions of Won)

Company	Percentage of ownership (%)	Amount
LG Display Singapore Pte. Ltd.	100.00	(Won) (5,472)

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

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

(In millions of Won)

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

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

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

(In millions of Won)

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

(b) 2008

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

(In millions of Won)

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

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

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

(In millions of Won)

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

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

(In millions of Won)

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

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

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

(In millions of Won)

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

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

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

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

(In millions of Won)

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

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

(In millions of Won)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Edgar Filing: - Form

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

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

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

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

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

(In millions of Won)

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

(In millions of Won)

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

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

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

(In millions of Won)

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

(In millions of Won)

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

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

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

(In millions of Won)

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

10 Capitalization of Financial Expenses

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

- (i) Statement of Financial Position

(In millions of Won)

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

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

(ii) Statements of Income

(In millions of Won)

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

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

11 Insured assets

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

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

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

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

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

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

(In millions of Won)

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

(In millions of Won)

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

(b)

Edgar Filing: - Form

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

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

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

(In millions of Won)

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

13 Debentures

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

(In millions of Won)

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

Edgar Filing: - Form

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

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

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

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

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

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

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

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

(In Won and share)

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

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

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

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

(In millions of Won)

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

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

14 Short-Term Borrowings and Long-Term Debt

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

(In millions of Won except interest rate)

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

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

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

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

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

(In millions of Won except interest rate)

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

(In millions of Won except interest rate)

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

Edgar Filing: - Form

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

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

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

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

(In millions of Won)

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

15 Retirement and Severance Benefits

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

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

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

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

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

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

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

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

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

(*) PLN represent Poland Zloty.

17 Warranty Reserve

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

(In millions of Won)

Edgar Filing: - Form

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

(In millions of Won)

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

Table of Contents

LG DISPLAY CO., LTD.

Notes to Non-Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

18 Commitments and Contingencies

(a) Commitments

Overdraft agreements and credit facility agreement

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

Factoring and securitization of accounts receivable

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

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

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

Letters of credit

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

Payment guarantees

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

License agreements

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

Table of Contents

LG DISPLAY CO., LTD.

Notes to Non-Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

18 Commitments and Contingencies, Continued

Long-term supply agreement

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

(b) Contingencies

Patent infringement lawsuit against Chi Mei Optoelectronics Corp. and others

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

Anvik Corporation's lawsuit for infringement of patent

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

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

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

Table of Contents

LG DISPLAY CO., LTD.

Notes to Non-Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

18 Commitments and Contingencies, Continued

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

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

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

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

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

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

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

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

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

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

Hedging purpose	Derivative instrument
Hedge of fair value	Foreign currency forwards
Hedge of cash flows	Cross currency swap Interest rate swap

(b) Hedge of fair value

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

(i) Foreign Currency Forwards

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

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

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

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

(In millions of Won)

Type	Unrealized gains	Unrealized losses
Foreign Currency Forwards	(Won) 2,674	

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

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

(c) Hedge of cash flows

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

(i) Cross Currency Swap

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

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

(ii) Interest Rate Swap

(In millions of USD, except forward rate)

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

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

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

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

(In millions of Won)

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

Edgar Filing: - Form

Interest rate swap

3,047

Fulfilled

52

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

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

(In millions of Won)

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

20 Capital Stock

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

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

21 Capital Surplus

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

(In millions of Won)

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

(*) Net of tax effects.

22 Accumulated Other Comprehensive Income

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

(In millions of Won)

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

Edgar Filing: - Form

Changes in equity arising from application of

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

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

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

24 Income Taxes

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

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

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

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

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

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

- (i) 2009

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

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

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

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

(ii) 2008

(In millions of Won)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 Selling, General and Administrative Expenses

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

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

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

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

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

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

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

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

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

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

Edgar Filing: - Form

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

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

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

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

(In millions of Won except Dividend payout ratio)

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

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

(In Won except Dividend yield ratio)

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

29 Share-Based Payments

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

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

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

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

Edgar Filing: - Form

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

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

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

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

30 Comprehensive Income

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

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

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

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

(i) 2009

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

(ii) 2008

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

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

(*2) Depreciation includes amortization of intangible assets.

Edgar Filing: - Form

32 Supplemental Cash Flow Information

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

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

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

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

(In millions of Won)

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

34 Date of Authorization for Issue of Financial Statements

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

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

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

36 Status of the Company's Adoption of Korean IFRS

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

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

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

Edgar Filing: - Form

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

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

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

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

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

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

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

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

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

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

(In millions of Won)

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

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

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

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

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

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

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

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

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

(In millions of Won)

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

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

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

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

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

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

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

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

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

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

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

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

(In millions of Won)

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

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

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

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

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

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

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

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

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

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

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

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

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

Edgar Filing: - Form

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

Table of Contents

Independent Accountants' Review Report on Internal Accounting Control System

English translation of a Report Originally Issued in Korean

To the President of

LG Display Co., Ltd.:

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

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

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

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

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

KPMG Samjong Accounting Corp.

Seoul, Korea

February 16, 2010

Notice to Readers

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

Table of Contents

Report on the operation of internal Control of Financial Reporting

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

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

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

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

January 18, 2010

James (Hoyoung) Jeong
Internal Control over Financial Reporting Officer

Young Soo Kwon
Chief Executive Officer

Table of Contents

SIGNATURES

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

LG Display Co., Ltd.
(Registrant)

Date: March 5, 2010

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